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12 April 1983

## WEST EUROPE REPORT

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## GOVERNMENT PUBLISHES REPORT ON 1982 TERRORIST ACTS

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 23 Feb 83 p 5

[Article: "Increase in Attacks Ascribed to Left-wing Terrorism"]

[Text] Bonn, 22 February--The 1982 report of the Office for the Protection of the Constitution which Interior Minister Zimmermann (CSU) submitted Tuesday, notes no development which would lead precipitously to a worsening of the situation in the areas affecting internal security--extremism of the left and the right and extremism by foreigners. On the other hand attacks ascribed to left-wing terrorists have increased sharply. Even the attempts by East European secret services to enlist German citizens for espionage purposes are said to have increased considerably and almost reached the high level of 1980 once again. No figures are, however, mentioned. More precise information is given on the other areas. There the number of people who belong to extremist groups, parties and organizations has remained essentially unchanged and has even declined here and there. This is worth remembering in a year which is economically difficult and not exactly quiet politically. The same applies to the successful police hunt for members of the terrorist "Red Army Faction" and neo-nazis. At the same time there are ample signs that the partly positive development in 1982 could change again. The extremists of the left as well as the right seem in fact to be losing members but they and their infrastructure still exist to a large extent.

In reading this first report in 13 years by a CDU/CSU interior minister, the difference in its presentation from the reports of past years should be kept in mind--reports for which the left-liberal FDP interior minister Baum, was responsible; even the report submitted last fall by the SPD politician Schmude was based on Baum's draft, as Schmude himself acknowledged. Two points are immediately apparent. Zimmermann did not submit the report as Baum did late in the summer and he departed from the custom of first letting the draft of the Office for the Protection of the Constitution wait before finally subjecting it to a far-reaching political revision. Informed circles even consider it possible that in the future terrorism from the left and from the right will be dealt with jointly in a single chapter.

Left-wing endeavors: Between 1981 and 1982 the number of members in leftist extremist organizations sank by about 2,000 to 60,000 at the present time according to the report. The Moscow-oriented German Communist Party with its youth organizations remains by far the largest of these forces. But a decline

in membership is also noted here. Thus, according to the report, the number of DKP members now lies somewhat below 40,000 while the party itself continues to speak of nearly 50,000. The attempts by the DKP to establish a foothold in the "Peace Movement" and among the squatters thus appear not to have been effective, a development which was reflected in the further decline in the DKP election results. However, the DKP and its subordinate organizations for youth (SDAJ) and students (MSB Spartakus) were successful in their efforts to work together with other groups. In this respect the report indicates that the influence exercised by the DKP is "considerably greater than the number of members and the election results." As on previous occasions the following organizations were listed in the report as being influenced by German communists who are loyal to Moscow: Association of the Victims of the Nazi Regime/League of Antifascists (VVN-BdA), the German Women's Initiative (DFI) and the Committees for Peace, Disarmament and Cooperation (KFAZ), the German Peace Society/United Opponents to War (DFGVK), the Democratic Women's Initiative (DFI), as well as the Association of Democratic Jurists (VDJ). But other organizations also support the efforts of the DKP (Abolish the Occupational Prohibitions and League of Democratic Scientists). These active efforts involving "alliance policy" were directed in particular toward the "peace movement" in which nonextremist groups are advocating the principle of deemphasizing that which separates (the relationship to Moscow) and accentuating what they have in common (rejection of the NATO double resolution). It is also clearly indicated who might be interested in such things. "In 1982 more than DM 60 million are believed to have been slipped to the DKP from the GDR by conspiratorial means to cover these expenses."

#### Right Extremist Acts of Violence Against American Soldiers

Although the number of left-wing extremists in public service remains unchanged at 2,360, there were nevertheless some shifts among the leftists. The 1982 report of the Office for the Protection of the Constitution thus notes that there are 1,523 Moscow communists in public service (1981: 1,430). But the number of adherents of the "new left" in public service declined. It is, however, reported that because of a considerable number of closet members the number of left-wing extremists in public service lies close to 4,000 (mainly in schools and universities). The number of right-wing extremists in public service declined by 40 to 293.

Apart from Moscow communism, among the so-called new leftists, there were counteractive developments in 1982. While the dogmatists, the so-called K groups, lost members (from 5,300 to 3,900), the undogmatic new left increased slightly (from 3,200 to 3,700). The situation of the K groups seems desolate. According to the report many complained about the "slackening discipline of the members and organizational fatigue." The strongest of these groups is the Marxist-Leninist Party of Germany (MLPD), which emerged during the past year from the Communist Workers' League of Germany and is said to have 900 members. The Communist League of West Germany, once the strongest of these groups, lost half of its thousand members. Even its student organizations seem to be in decline. Many former members of the K groups are on the way to the Greens. In 1982 there was also a profusion of violent acts, mainly from the camp of the autonomous left-wing groups with their vague

attitude toward acts of violence which, to be sure, according to the figures, declined from 1981. The report of the Office for the Protection of the Constitution notes 1,705 violations of the law during the past year (1981: 2,888). The number of incendiary attacks declined from 266 to 190. However, portions of these groups are bordering on becoming left-wing terrorist movements, especially the "revolutionary cells."

**Left-wing extremist terrorism:** The number of terrorist acts by left-wing terrorist groups rose from 129 to 184 according to the report of the Office for the Protection of the Constitution, thereby continuing the upward trend since 1979. The "Red Army Faction," whose leaders and logistics were largely eliminated in the past year, carried out a bank robbery but no other attacks. A total of 38 attacks are ascribed to the revolutionary cells (1981:21). But the great majority of left-wing terrorist attacks have been carried out by "unknown small groups" which operate only on a regional basis.

**Right-wing extremist efforts:** On the other hand the number of acts of violence ascribed to right-wing extremists in 1982 declined once again. Although the capacity for acts of violence remained virtually unchanged, 64 were committed as compared to 108 in 1981. This includes those attacks against American soldiers which were at first believed to be left-wing terrorist actions. The number of adherents of various right-wing extremist tendencies has also declined. The neo-nazi groups, who are most inclined to use violence, lost 200 members and now have about 1,000, according to the report of the Office for the Protection of the Constitution. The "national democratic" organizations are said to have 6,500 now as compared to 7,000 in the previous year. Despite its anti-foreign campaigns, the NPD in particular was subjected to further erosion. After already declining in past years it also lost 500 members in 1982 and currently has barely 6,000. "National independent" organizations associated with the Munich publisher Frey which are said to continue to number 10,000 members, remain the greatest strength of the right-wing extremists. Compared to the left-wing extremist groups with their 60,000 followers the right-wing extremists with fewer than 20,000 are insignificant.

**Foreigner extremism:** The number of foreigners who belong to extremist organizations declined slightly in 1982 to 122,000. It is reported that they did not "succeed in penetrating broad segments of the foreign population." The number of serious acts of violence rose in this area from 32 to 36, the number of murders declined from 10 to 4 and the number of crimes with explosives totaled 23 as compared to 17 in 1981. The largest group of extremist foreigners is still to be found among the Turks, with 52,000 members, even though the clashes between Turkish extremists of the left and of the right died down in the course of the year. The report explains this development in part by the situation in the labor market. Many such members feared that extremist political activity could "have negative consequences of an economic nature or affecting the rights of foreigners." Noteworthy is the high portion of Iranian extremists among the Persians living in the Federal Republic, nearly 10 percent. Among the Turks this portion stands at 5 percent and among the Arabs at 4 percent. For the first time since 1979 Palestinian commandos are said to have carried out attacks once again in the Federal Republic and for the first time in 2 years there were also once again attacks by Armenians which were, to be sure, directed from abroad.



## ETA-PM BACKS KAS ALTERNATIVE, HERRI BATASUNA

Guipuzcoa EGIN in Spanish 22 Feb 83 p 5

[Text] Twelve of the 17 members of the Central Committee of ETA political-military [Basque Fatherland and Liberty Group] and five members of their executive committee are willing to embark on a process of merger with ETA military, according to statements made by representatives of the armed organization to news correspondents.

According to spokesmen of ETA political-military, divergent interests and the lack of desire to unify objectives "prevented an intention to merge on the part of the "abertzale" [patriotic] left, in which contacts between LKI [Revolutionary Communist League], LAIA [Basque Workers Revolutionary Party], the New Left and other sectors were established. ETA-pm "eighth" arrived at the conclusion that "a new party could be created, but this is not the object pursued by the organization pm." Their representatives indicated that any merger project was passing over something which already existed: HB [Herri Batasuna] and the alternative KAS [Patriotic Socialist Coordination]." In this sense the proposal was being presented by the majority sector in the Biltzar Ttipia [Assembly], which would have made "five members who had never presented another alternative to get up and leave." Then the personal confrontations, the informative maneuverings and the battle for acronyms would have come, but we--the spokesmen for ETA-pm--do not wish to play this game. It will be political and economic dynamics which will grant legitimacy.

Eighty percent of the militants

According to their spokesmen, the political-military sector advocating merger with ETA military has ended up with all the materiel and quality arms and can count on the support of 80 percent of the political-military forces, although in some cases there are militants who hold themselves in abeyance. At any rate they indicated that ETA political-military was not involved in the kidnapping of Echeverria, nor did the merger or minority group.

They indicated also that they do not foresee their immediate integration with ETA military. They stated that "we are for the reunification of the armed struggle but this is a long-term process." Their spokesmen explained that "our initial conclusion is that we ought to maintain a political and military policy of merger with KAS and that it may be through action that this merger would take place."

## Communique

At the end of the press conference, the majority group of ETA political-military issued a bulletin which denounces "the misleading maneuverings undertaken on the 12th of this month by a self-serving and destructive segment of our organization." They point out that "under no circumstances do 5 members expel the remaining 12 as it may not be for their inability to start a dialog which would lead to the promotion of a merger policy with the rest of the "abertzale" Left, as was decided in our Eighth Meeting." As a reason for supporting "with all consequences that alternative tactic of KAS" they point out that "their dynamic program has been the only one in the left which has succeeded in developing a mobilizing strategy and a permanent break from the bourgeois juridical political framework" and that "the platform of KAS is a platform advanced for the struggle of the workers in a bourgeois democracy." They indicate then that they support Herri Batasuna "as the axis of the strategic project of the Basque revolutionary Left."

9678

CSO: 3548/242

## OZYORUK DECRIES BALKAR SHOOTING, SECURITY

Istanbul TERCUMAN in Turkish 14 Mar 83 p 11

[Article by Mukbil Ozyoruk]

[Text] At the time and on the date these lines are being written, it is reported that the condition of Galip Balkar, our ambassador in Belgrade, is "extremely critical." It is known what this means in the medical language and what physicians "wish to say" with this phrase, isn't it?

It is understood that the life of beloved Galip depends on a miracle. (In fact, in the middle of writing my article, word of his death arrived. May God have mercy on this man, who was innocent in every aspect of his life.)

The pain I feel is twofold. First, I, as a Turkish citizen, am deeply grieved. Then, I am filled with great sorrow because such a disaster befell a son of the nation, whom I have known and loved so long and so closely that I am able to say, "beloved Galip."

This brilliant diplomat of ours was 46 years old, a graduate of Ankara Faculty of Law. I recall his school years vividly and in full detail, as if it were only yesterday. He was not only an "extraordinarily successful" student. He was an outstanding individual even as a youth. When he graduated from law school, I and a number of his instructors urged him to join the academic profession. He, in the end, chose the diplomatic field. Taking into consideration his education, no one doubted that he would certainly succeed in any profession and service he entered. As a matter of fact, he did.

I did not love Galip only because he was one of the best students I ever had. He was, at the same time, the son of a venerable man. He was the only son of the late Kemal Galip Balkar, chief legal spokesman for the Council of State, whom I valued tremendously and whose personality, industriousness, and expertise in the field of administrative law I truly respected. My respect for Kemal Galip was boundless. Although I was not considered to be his peer, we visited each other, paid visits to one another. My esteem for him stemmed from the opinions written in the most important cases heard by the Council of State. Kemal Galip, in this position, was the "equal and counterpart," in respect to our country, of the renowned "Commissaires du Gouvernement," the French administrative attorneys such as the late Corneille, Romieu, Tardieu,

and Blum. And I have examined all the other "opinions" published in the Council of State decisions' journal from 1937, the year Kemal Galip entered publishing life, until the present date. No one has yet been able to reach his level, and no one has been able to surpass him. The respect and appreciation engendered by these opinions was transformed, within a short time, into an expansive and sincere love for him.

It was within the tableau of these conditions that, one day, I found Galip Balkar across from me as one of my students. I grew to value and love him for himself. And with the sensitivity demonstrated toward this child, who represented the greatest wealth and sole hope in the lives of his compassionate parents, who, in turn, doted on him to an extreme, his late father would say that Galip did not cause them worry, not even for a single day. Our country has lost a very exceptional son who gave promise to more of this sort of brilliant future and such great service. What a pity, what a great, great shame.

I, too, watched the news film on the screen. I saw that Balkar's official automobile was not bulletproof and that not a single security agent was in his company. The glass pierced by bullets was shattered like chickpeas. It was the type called "safety glass" on the market. If a rock, let alone a bullet, hits this type of glass, a person will be injured. The glass is made so as not to cut those thrown against it at the moment of impact. It has no other protective characteristic. Hadn't the belief that such a criminal attempt could not be made in socialist countries been refuted fundamentally before through an attack in Bulgaria? The Yugoslav police, however, immediately apprehended both of the assassins with an effort for which all of us are grateful.

But, Galip Balkar, who was forced to cut expenses by traveling completely alone in an ordinary automobile, has come and gone. Besides feeling grief, we must "scourge" ourselves.

11673

CSO: 3548/206



## SIRMEN ON WEST'S UNCONCERN FOR TURKISH TARGETS OF TERROR

Istanbul CUMHURİYET in Turkish 13 Mar 83 p 3

[Article by Ali Sirmen]

[Text] One of the biggest problems of newspaper commentators is the conflict resulting from the need to avoid all putting forth the same views and the same words, the need to come up with new topics and new ideas, and, now and then, stemming from their all focusing their interest on the same or similar topics within a very short space of time because of a series of incidents of like characteristics.

It is not necessary to expound further. Armenian terrorist organizations have been a frequent topic in our newspapers and in these columns. A month does not pass and, as activities became increasingly more frequent, even a day does not pass when we must turn to the same topic out of necessity.

Everything has been written about which foreign forces are behind them, what causes them to be incited for which purposes, how the incidents began, what Armenian terrorist organizations are doing to provoke Armenians towards terrorism, and who is responsible for the incidents.

In particular, statesmen of some countries such as France, who are not in power today have, speaking of Armenians' "historical rights," stressed how grave a danger could be generated to their own nations in the future through the adoption of a tolerant attitude, almost as if they were embracing criminal acts. It has been made clear how the one-sided coverage of historical events by some foreign press and publishing bodies carries with it the meaning of calling for new incidents. All of these views have been talked about a number of times by a number of our colleagues in the Turkish press. And events have confirmed how correct these views are.

Even France, whose hands are most tied in the face of Armenian terrorism, probably perceived in the end its mistake when, this time, an action was directed against the life of one of its citizens.

In the meantime, we once again see, by what happened to our Belgrade ambassador, Galip Balkar, what could happen to us if we do not take more basic measures to protect sufficiently and with care our own representatives.

We are not going to repeat this all here. I believe that the reader is now as tired of hearing these truths, which have been mentioned without pause, as we are.

After congratulating Yugoslav officials and citizens for the sensitivity they displayed in the face of this murder and their success in capturing the murderers, we wish to focus on a related point.

A few days before the attack on Balkar, Sami Karaoren collared me at the newspaper office and said:

"Hey, Ali, while going through some old books yesterday, I came across Sartre's book, 'The Jewish Question.' I brought it, thinking you might not have read it. If you haven't, read it! I think you will find it very interesting."

I had not had the opportunity to read this work before, and it was while I was reading it that news of Balkar's shooting arrived.

At that time, this section of Sartre's book, which comes out, and very justly so, against enmity towards Jews, came to life again before my eyes:

"While the czarist government was putting Jews to the sword in Moscow and Kiev, its support of those in Warsaw was suiting the needs of its policy. For this reason, native Poles were angry with Jewish citizens and watched for a chance to take revenge. They considered them, as was true in Russia, as having no value to the community, as foreigners, an enemy element. It can be seen that the factor that played a major role here was the representation of Jews by those who held the strings of history in their hands more so than 'historical truths.' Even today's Poles, who reproach the Jews for what went on at that time, are affected by the same feelings and thoughts. Isn't it necessary for man to possess a very primitive understanding of responsibility in order to hold grandchildren responsible for the mistakes of their ancestors? However, there exists a mentality such that it can be accepted that descendants resemble their ancestors, that the young are also compelled to act as the elderly, and that the Jewish character cannot change from one generation to the next."

Let us consider a bit the last two lines of this quotation. Then, let us assume for a moment that everything ASALA or any other terrorist organization says is true, even if it does not conform with truth. In this case, let us replace the word, Jew, with the word, Turk, in the last two sentences. Then, we will see that we are faced with the logic of ASALA.

I repeat that ASALA's claims are not valid, but, for a minute, we are accepting them as true. Here, the logic that emerges is the same logic noted by Sartre that was used by Jewish enemies in Poland against the Jews.

There is no need to go on further on this point. Therefore, let us end our article by going right to our question.

Why don't France and the West, which came out, through Sartre and many other thinkers, many times against this warped logic that was wanted to be used

against Jews, come out, at least a little, against Armenian terrorist organizations, which employ the same logic, when Turks are the victims?

Why?

Is it because the rules of logic change when we are the subject?

11673

CSO: 3548/206

## ENERGY MANAGEMENT AGENCY REVISES GUIDELINES FOR GRANTING AID

Paris LES ECHOS in French 21 Feb 83 p 15

[Text] Waste elimination has changed its style. The French Agency for Energy Control hasn't really changed its ammunition but it is changing its prey. Of course, energy consumers, specifically in transportation, are still strongly encouraged to track down waste as the former National Agency for Energy Conservation had taught them.

In this sense, there is continuity. But the new agency is now proposing to transportation firms of all kinds basic contracts that should allow for an overall approach to the problems. In order to reach by 1990 an annual savings on the order of a million TOE in the area of transportation.

But firms that are not really motivated do not sign such a contract. And the distinction is not so difficult to establish. In order to receive its aid, the Agency is asking those interested to supply a structured dossier that accounts for all the aspects of the firm, directly involved or not, in an energy balance.

From the beginning, a specific job that can be accomplished only if the question has been thought out at considerable length, because the dossiers must, in addition, stipulate the objectives to be reached and the efficiency must be significant (at least 10 percent).

In this way the Agency is almost sure that the firms that apply to it to sign a company contract are previously motivated to implement the means of conserving energy under favorable conditions. And they can be considerable means.

In fact, for the Agency, gone are the days of subsidies for a piece of equipment, according to a rigid and limited program, where the transportation industry looked like a poor relative compared to industry or the housing sector. Its involvement within the framework of these company contracts can have extremely varied applications of a certain breadth, depending on the practicality of the objectives in each case. And the list of these involvements is not strictly set down.

They can involve training, the implementation of structures, the followup of consumption, and access to information, the transformation of equipment (such as the changing the inventory of vehicles), their upkeep, the optimization in use (using computer software), etc. "The action of the Agency can be quite far-reaching and, at the moment, the transportation department has a budget on the order of Fr 140 million," declares Bernard Jachimiac, director of this department.

As generous as the funding is, it is not fantastic. Truck transportation, which is the primary target, is not the only one to profit from it. The merchant marine, aviation, inland waterway navigation and even the railways (the SNCF [French National Train Company] has already signed a contract with the Agency in the past) are also eligible. However, highway transportation should profit more broadly to the extent that is a large consumer of energy that is basically of petroleum origin and considerable progress can still be made.

The Agency is also pushing for the development of homologation and standardization of energy-saving equipment. In this area it is following up closely the development of a formula for the establishment of truck [energy] consumption (a method that would not in any way resemble the one used for establishing automobile consumption). Bernard Jachimiac considers that, within a year, such a formula could be selected.

At the present time, it is primarily the company contracts that present the most interest for the PME [Small and Medium-Size Firms] in truck transportation. In theory, they are open to all the companies. In practice, the largest of them are going to be the first involved and the first to profit from them, because they have means that are more adapted to drawing up the dossiers requested by the Agency.

Now the system is operating. And, in the spring, Bernard Jachimiac is hoping to propose a more flexible formula so that small transportation companies can have access to these contracts too.

9969

CSO: 3519/357

## LARGE SOLAR PLANT POWERS MONT-BOUQUET TV BROADCASTS

Paris LE MONDE DIMANCHE in French 2 Jan 83 p 5

[Article by Martine Chartier: "Sun for the Small Screen"]

[Text] One of the most powerful solar power plants in Europe supplies the Mont-Bouquet radio and television broadcaster near Ales. An example that can be imitated.

One of the largest European facilities for the production of electricity using solar rays is partially supplying the rebroadcasting center of Telediffusion de France in Mont-Bouquet (Gard), 20 kilometers from the town of Ales.

Facing the Cevenne [mountain] chain, Mont-Bouquet is a tourist spot. Sunday visitors there are numerous. Today, the glance of the hikers is attracted by a vast expanse of blue panels spread out at the base of a pylon and its parabolic antenna. A medium power [broadcaster]--there are 400 of this kind in France--this center has three television broadcasters (one for each channel) and three FM radio broadcasters. It broadcasts programs from Montpellier to a zone 50 to 80 kilometers around it

Along the narrow road leading to the emitter, nature has suffered from the violent storms that hit the entire region. Gusting wind has torn off tree branches, tiles on the roofs and even electricity lines. The worried regional technicians from TDF [French Television Emission] looked at the solar facility. Not a single panel had budged. The 70 rows of ten modules, each with 72 photovoltaic cells, anchored to the ground with concrete bases, remained intact. Under the impassable eye of a virginal mountain, the silicon photo cells continue to transform light into electricity.

On a sunny day the production registered is 702 kilowatts per hour, or a total of 45 MW per year. Enough to supply 12 to 15 homes with electrical energy. Imposing batteries, with a total weight of seven tons, housed in a room close to 15 m<sup>2</sup>, store the electricity reserved for the broadcasters. Under normal conditions, they can assure an operating autonomy of 5 hours. Starting next February, a second independent branch is to supply an electronic regulation system which will register meteorological data



(insolation, temperature, wind speed and direction) and will monitor the operation of the electricity supply to the emitters.

Built about 10 years ago, the emitters, completely supplied until then by a classical EDF [French Electric Company] line, consume some 256,000 kWh per year. A considerable energy consumption. Now TDF is working on the development of more economical equipment. Thus, solar cannot assure total replacement. It will supply approximately 15 percent of the energy needs of the center.

#### 600 Meters High

However, the geographical situation of the center--it is located at an altitude of 600 meters--was the incentive for installing a solar power plant. Financing of the operation, the cost of which is close to Fr 7 million<sup>1</sup>, is being shared among the European Economic Community (EEC), the French Agency for Energy Management, TDF and the company Photowatt International, manufacturer of the solar equipment. The community of Brouzet-les-Ales provided 2,000 m<sup>2</sup> of land for the facility.

In 1980, the EEC had launched a broad program for the demonstration of solar possibilities for the electrification of isolated sites supplied by the traditional distribution networks. The Mont-Bouquet center figures among the 15 projects selected. With a maximum power of 50 kW, it is one of the largest photovoltaic facilities in Europe. The existing power plants for lighting or heating building for the operation of local rebroadcasting emitters are much smaller.

A facility with the same power is being built at the Nice-Cote d'Azur airport. It is supposed to supply singlehandedly a system for guiding planes in flight and on the ground. In Kaw, in Guiana, a 35 kW photovoltaic generator is to go into service soon. It will supply electricity to the villagers.

For its party, TDF is no novice in solar energy. In Africa, specifically, the organization has encouraged replacement of electrogenerating units by photovoltaic generators. Over a thousand centers for the reception of television programs are already being supplied by this method.

In France, because of the existence of a considerable classical network for electrical distribution, and because of the power of EDF, solar [energy] is gaining ground much more slowly. That is what Sandor Polger, an engineer from the engineering division of TDF and a fervent defender of renewable energy sources, deplores: "When more than 3 kilometers of lines have to be built in mountainous terrain, solar energy is competitive," he affirms.<sup>2</sup> "The local municipalities who decide about the ways to supply an emitter and its financing should be informed. They should be able to choose solar."

A certain number of villages, isolated in valleys, cannot in fact receive a televised picture without the help of rebroadcasters located on the closest

mountain top. These rebroadcasters, which are not very powerful, are already supplied by a solar facility in some mountain communities.

That is the case, for example, with Saint-Guilhem-le-Desert (Herault), about 100 kilometers from Mont-Bouquet. Its classification as a protected site prohibited any exterior construction and, therefore, did not allow erection of an electrical line. Burying the cable was estimated at Fr 180,000 per kilometer. The solution selected--photovoltaic cells coupled with an aerogenerator using wind energy--cost Fr 227,000 in 1979.<sup>3</sup> For the past three years the inhabitants have been watching television broadcasts without any problems.

At Mont-Bouquet, the electricity lines preceded solar energy. The facility would, therefore, have been too costly for the local municipalities. But the power plant, because of its dimensions, is setting the example of the possible use of solar energy in the industrialized nations of Europe as in Africa. Having demonstrated its reliability several times, solar still had to prove its power.

#### FOOTNOTES

1. 1,050,000 ECU (European Currency Units). A French franc equals 6,55 ECU.
2. The cost of an aerial line in the mountains is estimated to be between Fr 70,000 and 100,000.
3. After this facility, TDF thought it could get a cost of Fr 130,000 (excluding tax) for a 100 kW aero-solar generator.

9969

CSO: 3519/357



## SUBMARINE CABLE FOR DIRECT ELECTRICITY CONNECTION WITH ITALY

Athens TA NEA in Greek 28 Feb 83 p 5

/Article by Nikos Roussis: "Electric Current From Italy"/

/Text A submarine cable of continuous electric current will assure the direct power connection between Italy and Greece. This connection will have specific benefits for our economy and the Public Power Corporation /DEI which will be able to cut down its operational costs. The benefit for the Greek consumers consists of their having improved and continuous service even during peak hours.

Already, according to exclusive NEA reports, a preliminary study has been completed and by the end of the summer of 1983 there will be a technical study and an economic evaluation of the project with a parallel oceanographic study.

The subject was discussed during a meeting between President Corbellini of the Italian National Power Organization /ENEL and DEI Administrator D. Papamandelos in Rome, while the minutes of a 7 January 1983 meeting of the European Parliament indicate: that a resolution has been introduced "on the implementation of an electricity connection between Greece and Italy through a cable."

More specifically: It is proposed, in view of the special nature of such projects, to increase the financial support of the Regional Development Fund for the construction of this project.

It is reported, however, that even if the majority of the European Parliament approves the necessity of the project (unconfirmed reports state that the subject may be discussed at the next session in early March), the final decision is the responsibility of the EEC Council of Ministers and of governmental decisions at an interstate level.

But if such decisions are reached we must be ready, as DEI Administrator Papamandelos told NEA. Finally, according to the assessments of the preliminary study, the cost of the project is estimated at around 250 to 400 million dollars while construction will take 3 to 4 years.



One of the two proposals for transmitting electricity from Italy to Greece. It is technically easier and financially cheaper.

7520

CSO: 3521/228

## BIGGER DISCOUNTS FOR LARGE USERS OF ELECTRICITY

Rotterdam NRC HANDELSBLAD in Dutch 8 March 83 p 11

[Text] The Hague, 8 March--Industries consuming very large amounts of electricity will receive a higher discount on their electricity bill beginning this year. Mid-size businesses--hitherto excluded--now receive a discount as well.

This new measure doubles the number of businesses than can qualify for the discount.

The discount arrangement for businesses using large amount of electricity has been in effect since mid-1982. It is based on an agreement between the Samenwerkende Electriciteitsbedrijven (SEP) [Cooperative of Electricity Producers] and the Gasunie [Gas Union].

The measure is designed to improve the competitive position of Dutch industry vis-à-vis our close neighbors, where electricity for industry costs uniformly less due to their more extensive use of coal, nuclear energy and water power. The SEP and Gasunie decided to broaden the measure after evaluating the results of the first half-year of the discount program.

The minimum annual qualifying rate of electricity consumption for a business is being reduced from 30 to 20 million kilowatt hours. This reduction primarily benefits mid-size businesses. Also, the refund amount for large industries consuming over 150 million kilowatt hours annually is being increased.

SEP and Gasunie sources claim that the discount program for businesses will not cause the electricity costs of other users to increase.

9992

CSO: 3614/75

## NATIONAL ENERGY PLAN MAPS FUTURE DEVELOPMENTS

## Plan Provisions Listed

Lisbon A TARDE in Portuguese 11 Feb 83 p 7

[Text] National Energy Plan disclosed: Nuclear energy is economically more advantageous than coal. The first decision on the use of nuclear energy in Portugal is to be made soon and the first group can be in operation in 1995. According to the National Energy Plan, disclosed this morning, it is possible to contemplate the long-term launching of a nuclear program with dimension of between 4 and 6 Mw installed capacity. The first National Energy Plan was drafted to provide for and program the structural changes in the energy utilization and supply system. The country's situation is extremely critical in this respect. Dependence on foreign sources comes to 85 percent of the total consumption volume, within which crude petroleum represents 80 percent; diversification is on a very low level and our knowledge on our energy resources is entirely too incomplete.

Per-capita consumption is much lower than in most of the other European countries and that, by the way, is quite in keeping with Portugal's economic development. One of the first concerns in guaranteeing an economic revival must be to achieve a significant increase in energy consumption with a view to the future and through adequate planning.

It is indeed necessary to achieve a real change in the country's energy system and the plan now disclosed proposes major long-term and medium-term objectives, the diversification of sources, and the study of the country's resources. It spells out two economic development prospects for the country on the basis of which it formulates the general guidelines.

The first scenario for the development and integration of the national economy, situated in an international context of recovery, involves a reorganization of the national economy and is aimed at ending stagnation in the agricultural sector and at achieving an intensive organization and modernization of the industrial sector. All of this is to be done with the objective of diversifying Portugal's exports.

In a second scenario, called delayed development and partial integration of the Portuguese economy, we anticipate an international situation in which the crisis has not yet been overcome. This is why, on the national level, we look forward to slow growth and the modernization of industry and diversification of exports, subject to a slower pace. Membership in the EEC would then cause increased difficulties.

#### Long-Term Guidelines

The general guidelines resulting from the long-term analysis made in the planning study itself are the main lines of thrust which will guide the energy sector over a horizon of 30 years.

Energy conservation is one of our most important energy "resources" and it is to be implemented through the modernization and efficient utilization of equipment and the introduction of new technologies in production processes. Its intensification is justified by reasons of economy and security. Its attainment depends on the initiative of a multiplicity of agents, ranging from government agencies all the way to enterprises and individuals. It also implies an intensive and continued effort by the government as part of an energy price policy that will reflect the real costs and the expenditures for the development of the national energy system, taking care of the spending angle through the development of conservation itself plus the adoption of legislative measures that prove adequate in a pursuit of this goal.

In the petroleum subsector we note the materialization of the substitution of its derivatives with other fuels in electric power generation, in industry, and to a lesser degree in the residential and service sector and just a little bit in transportation. Given the differentiated nature of fuels used in each sector, this group of substitutions will result in a "whitening [bleaching]" of the demand barrel, forcing adaptations in refineries without however leading to a foreseeable increase in the refining capacity.

Coal emerges as the most important form of primary energy and as of now is the main substitute for fuel oil. According to the PEN [National Energy Plan], its progressive adoption keeps spreading in electric power generation--started in 1979 with the construction of groups 1 and 2 of the Sines Thermoelectric Power Plant--and at the major industrial consumer.

The increase in coal consumption will imply the emergency construction of port facilities and the creation of domestic transportation facilities.

The introduction of natural gas is justified by technical-economic data. It is an important factor in diversification and in gaining access to a form of clean energy.

The availability of a piped gas transportation and distribution network will, in long-range terms, permit its use through synthetic gas produced, especially, from coal, if and when this is considered convenient. It is also a valuable means for the distribution of energy and for the promotion of development in the areas it serves.

The main problem to be solved right now regarding the introduction of this form of energy concerns a reliable and secure supply operation.

As for nuclear energy, it turns out to be economically advantageous in relation to the use of coal for electric power generation in price scenarios considered realistic. It is also a factor in energy diversification and in the utilization of domestic resources.

Renewable forms of energy which are spreading to a greater extent are water power and biomass and, in long-range terms, the PEN tells us that we will have to continue the utilization of water power resource for the big and medium-sized power plants and draw up an action program for small operations, integrated within a national water utilization policy.

#### Medium-Term Undertakings

In the medium-range plan we used the energy consumption figures for a scenario in which the international crisis would continue since it has turned out recently that economic growth is taking place at a slower pace, along with a further deterioration in the deficit shown in the current transactions balance sheet, with an inherent limitation on growth that would be implied in the effort to restore the balance; all of this points to a demand thinout at least until 1990.

Among the measures provided, the energy conservation intensification program comprises a body of promotion efforts to be carried out by the government and a combination of actions to be carried out in the various economic activity sectors.

In the petroleum subsector it will be necessary only to carry out one major undertaking, that is, the installation, at the Sines refinery, of a unit for the conversion of fuel oil into medium and light products, to go into operation in 1988 or 1989; the decision on this is to be confirmed in 1983-1984. Its capacity in terms of supply load, will be 750,000-1,500,000 t/yr.

The coal utilization development program implies the construction of the third group at the Sines Thermoelectric Power Plant, to be started immediately. During 1983, we will once again analyze the data on the award of the contract for the fourth group which will have to become operational before 1990 and that review will be conducted in the light of the development of the consumption figures.

The power plant, which burns lignites from Rio Maior, can be operational soon after the fourth group at Sines although a decision will have to be made in 1983.

In 1983 likewise we are going to have to decide on a site for a second coal-burning power plant--in the country's northern or central parts--so that the work may be started early in 1984 or in 1985, if the Rio Maior decision is made before that.



The construction of the integrated facilities at the coal terminal in the port of Sines must be started urgently so that the two first groups at the thermo-electric power plant can be supplied starting in the middle of 1984; these two first groups are supposed to be started up by the beginning and end, respectively, of 1985.

We must also continue efforts that would permit the conversion of the cement industry by means of coal, including means for the supply of this fuel, starting in 1984, and the solutions and means necessary for the transport of coal from the Sines terminal to the remaining utilization places must also be worked out right away.

The solutions for the utilization and storage of coal-containing ash must also be prepared immediately.

For the introduction of nuclear energy, it is urgent to have the EDP [Portuguese Electric Power Company] complete the list of sites suitable for the establishment of nuclear power plants by the middle of 1984.

The study of solutions suitable for the final storage of highly radioactive residues must be launched immediately, keeping up with the technological developments in this area, plus a study of their adaptation to conditions existing in Portugal.

It is necessary to strengthen the administrative and laboratory structures of the government so that they may keep up with, check on, and supervise the various aspects involved in the development of a nuclear program and so that they may step up specialized training of technicians and investigators required on various levels for the implementation of the nuclear program. On the other hand it is important quickly to collect information pertaining to the supply of nuclear groups and services for the fuel cycle so as to enable the administration to decide by the middle of 1984 on the type of reactor to be considered for the Portuguese case.

As for legislation and regulation necessary for the licensing of nuclear power plants and the technical radiological safety standards, it is expected that they will be published before the middle of 1984.

By the middle of this year furthermore it will be necessary to draft a study on the adaptation of the national processing industry which would guarantee its growing participation in the implementation of the nuclear program along with indispensable quality guarantees.

#### Natural Gas and Forms of Renewable Energy

The PEN underscores the need for getting ready for the introduction of natural gas in Portugal. In this connection, the petrochemical industry will have to start the investigations necessary for the construction of a terminal so as to permit a decision this year (1983). On the other hand, it is important to budget the possible tie-in of Portugal into the European gas pipeline network and, by the end of this year, we must also complete a study on alternate

solutions for the establishment of a strategic reserve corresponding to the consumption of piped gas over a period of 90 days. The petrochemical industry must furthermore pursue contacts with possible natural gas suppliers.

The legislation and regulations necessary for its introduction must be drafted by the end of the current year.

The priority efforts within the renewable energy program, regarding the major hydroelectric undertakings, have the objective of stepping up efficient coordination between water uses and the maintenance of four simultaneous shipyards involved in intensive processing activities.

As for the development of small hydroelectric power plants, it has been proposed, already for this year, that we establish improvement and reequipment programs for the existing power plants and the preparation of national metal and electromechanical industry plants for the manufacture of standardized equipment [along with a] revision of legislation.

#### Government Requests Wide Participation

Lisbon DIARIO DE NOTICIAS in Portuguese 15 Feb 83 p 3

[Excerpt] Prime Minister Pinto Balsemao indicated to Industry and Energy Minister Baiao Horta [illegible in original] that he should draw a clear dividing line between the administration on the one hand and the PEN on the other hand; this PEN was presented last week to the information media. As DN [DIARIO DE NOTICIAS] has been able to find out, Pinto Balsemao sent a message along these lines, noting that Baiao Horta told him of his intention to come up with a public presentation of the documents summarizing the PEN. DN will thus open its pages to public debate on the central questions in the document, seeking to hear both favorable and unfavorable comments.

"I agree with the presentation although it must be made clear in it that this is not an administration resolution but only the disclosure of a document of undeniable importance so as to permit all interested parties to adopt the positions which they hold regarding the basic decisions which must be made," wrote Balsemao.

In the report sent to the prime minister, Baiao Horta asserted that "the only potentially controversial guideline resulting from the minimum-cost strategy adopted in the PEN is the production of electric power by nuclear means, with the need for a decision to be made by the middle of 1984 and that a decision in which everyone participates will have to be made under any circumstances." Hence we have the fact that "the disclosure of this first version of the PEN represents an important contribution to the objective information on this matter," according the note from the minister of industry, who added that "actions during the days prior to the decision in this field, as provided for in the EN [as published], are already underway because they are in any case absolutely necessary with a view to the existence and placement of Spanish nuclear power plants."



The minister also recalled that "for unforeseeable and well-known reasons, the cabinet was unable--as would have been desirable--to discuss and deliberate on the various guidelines contained in the PEN recommendations."

In spite of that, he was of the opinion that "an effort as important as this one for Portugal, containing so many valuable guidelines for action and for developing an awareness among the citizens in general and the economic agents in particular, must not run the risk of becoming outdated and must be properly disclosed so that we may gather opinions that may constitute a contribution to the analysis and to the decisions which future administrations will have to make and adopt."

#### Question Postponed

To the extent that DN has been able to find out, the PEN should have been discussed by the cabinet at the end of November of last year, in other words, before the materialization of a situation in which the administration resigned. But at that point rumors began to arise to the effect that the summarized version delivered to the full cabinet did not contain all of the alternatives planned by the study group that drafted the PEN. The essential difference between the first draft and the second one resided in the absence, in the latter, of the analysis of a strategy that would not include nuclear energy.

Ribeiro Teles supposedly was one of the ministers to raise the issue in the cabinet after having gotten the support of other administration members, as DN was able to learn from an administration source. This is why the PEN was taken off the agenda.

After contacting some technicians responsible for the summary report, DN learned that the guidelines for the last study involved the presentation of options on a basis of minimum costs. On the other hand, especially since the end of November, they did not get any instructions to the effect that they should complete the report by introducing a non-nuclear strategy for which the supporting studies did not present in-depth coverage identical to that of the remaining prospects.

#### Short-Term Action for Nuclear Effort

The nuclear energy issue stands out in the list of general long-term guidelines for the PEN, with an indication to the effect that the studies conducted so far show that it is "economically advantageous in relation to the use of coal for the generation of electric power in price scenarios considered realistic and that it is a factor in energy diversification and in the utilization of natural resources."

"Electric power consumption projections," the report states, "enable us to contemplate launching a nuclear program with a dimension that would be adequate for the production of this form of energy and that, assuming a reduced growth rate, would point to a dimension of 4,000-6,000 Mw installed capacity within the horizon of the PEN. Since the decision on nuclear power was drafted in the form of successive steps, the first basic decision on this option will have to be made soon with a view to having the first group available in 1995."

Experts contacted by DN, who participated in the preparation of the report, admitted however that the 1995 target date will be hard to meet: the fact is that a nuclear power plant takes on the average 10 years to build, starting the moment the site for its construction has been picked. By then it is also necessary to draft a list of sites and locations for dumping the radioactive waste which is why the first 2 years, during these priority efforts must be completed, look like a rather short period of time.

#### Nuclear Power Issue Questioned

Lisbon EXPRESSO in Portuguese 26 Feb 83 p 14-R

[Article by Vicente Jorge Silva: "Now the Nuclear Issue"]

[Text] The partisan folklore, which in recent weeks has become more exacerbated, allowed to go almost unnoticed an absolutely crucial question for the future of the Portuguese people: The National Energy Plan.

The spirit behind the Energy Plan is identified with the strategic option for nuclear power as the only possible way to extricate Portugal from its state of backwardness and move it closer to European living standards. This is an idea that seems to have indisputable scientific support to the point where none of the major political forces in Portugal--from the PCP [Portuguese Communist Party] to the CDS [Social Democratic Center Party] via the PS [Socialist Party] and the PSD [Social Democratic Party]--would dare challenge its logic.

But there is one thing on which consensus turned out to be possible; while the parties pelt each other with questions tailored for public consumption or religious dilemmas, the thing that should determine essential choices as to the model of society we are going to build turned out to be treated like a perfectly insignificant problem or a problem on which passive and generalized agreement was likely.

We do not have sufficient data to evaluate with proper strictness and exactness the advantages or damages connected with the nuclear option. But the simple, dispassionate observation of what is happening, for example, in a country such as the FRG (not to mention the United States, a country outside Europe) should urge us to look upon the nuclear issue with a lesser degree of provincial levity than we are displaying now.

As a matter of fact, in the FRG, whose model sustains the mirages of our economic witch doctors, the country's third-ranking political force--already influencing the strategy of the ruling parties, especially the Social Democratic party--has the primary objective of fighting against nuclear power regardless of whether it is for military purposes or for so-called peaceful purposes.

The specter of another war--especially a nuclear war--obviously is not divorced from the capacity to mobilize public opinion which the ecology movement has displayed in the FRG. It was on the basis of the challenge to civilian

nuclear power--and the economic growth model it implies--that the German ecologists grew strong and were able to win an audience in the country for their ideas. Even before the controversy on the installation of the new American missiles on German soil, apart from the struggle against nuclear power and its effects on the environment and society which made ecological ideas popular in the FRG. In this connection it is rather interesting to note that the ecologists somehow are established in the country's most heavily industrialized areas, where questions relating to the environment are assuming greater significance and gravity.

Beyond the more or less real or more or less fictitious threats that emerge in connection with the nuclear option in the imagination of post-industrial societies--and of which an explicit example is the rather recent American movie entitled "The China Syndrome"--what is at stake here basically is the universe modeled by this option. In other words, although the dangers connected with the installation of nuclear power plants may be less than their immediate advantages, it remains for us to know whether we are not facing a suicidal logic of economic growth aimed at the reproduction of the consumer-oriented model (which the current worldwide economic crisis has come to question in a structural and decisive form).

It is said that Portugal is a peripheral and backward country and that, to make up this backwardness (and even to achieve its survival), it must be self-sufficient in the energy field. It is furthermore said that, even though the nuclear option may be viewed as being dangerous, the majority of the Portuguese population is not prepared to take upon itself the costs and sacrifices implied in a change in its consumption and living habits. It is finally said that there is other medium-term available and credible option beyond the nuclear option to guarantee the country's energy independence (and probably also its political independence).

That is all very well and good. The problem is not that we are engaged in this discussion but that it is passively accepted without any visible disagreement by anybody. The absence of a public opinion movement in Portugal on environmental issues and on society models--questions which today are being posed crucially in the advanced industrial societies--has, as its grotesque and therefore demobilizing counterpart the "ecological" folklore of a monarchic minigroup and attached specter of APU [United People's Alliance] (which is more worried about Eanes and NATO than about ecological questions). People are widely getting used to seeing problems of ecology treated like the fantasies of some unemployed poets or snobs who want to trigger a critical awareness in the consumer society. Finally we have the spectacle of political subservience which the "ecological" PPM [Popular Monarchist Party] displayed toward the CDS and the PSD--to the point where the latter relieved the former of the need for any initiative in the administration--and that spectacle somehow helped make public opinion even more skeptical and distrustful concerning environmental issues.

There are indications that Portugal, whose territory is already affected by the Spanish nuclear area, will, within a few years, be able to come to know

the heaviest index of nuclear power plant concentration in all of Europe. In a Europe, it was emphasized, where movements aimed at preventing the construction of more power plants will multiply--movements which already constitute instances of influence or even political decision.

Is this not enough for us to realize that something is not quite right? The nuclear option--a crucial option from the viewpoint of the society model--is about to be decided technocratically and without any political debate in Portugal and in the face of confusion in public opinion. In the meantime, the political parties, now transformed into grab-bags to please everybody, are producing a debate which is becoming increasingly opaque to the point where, without noticing it with democratic clarity, there is the fact that "the political line" indeed triumphed in the CDS or that the "political line" is getting ready to triumph more or less de facto in the PSD.

It so happens that a minimum concern in line with ecological issues is shaping up neither in the CDS nor in the PSD. And it so happens that the PS and the PCP--prisoners of an accumulative logic of economic growth--view them with cynicism and listlessness.

#### Possible French Nuclear Cooperation

Paris NUCLELEC in French 25 Feb 83 p 10693

[Text] According to a document on the country's energy policy prepared under the supervision of Minister Ricardo Baiao Horta, Portugal will reportedly launch in mid-1984 a program related to the construction of four 1,000-MW nuclear reactors. Portugal has no energy sources of its own and must import coal and oil. The drought that affected the country last year indeed compelled Portugal to import energy from Spain and France. On the other hand, Portugal does have some uranium deposits that are now being exploited. In case Portugal enters the atomic field, it seems that the French companies Framatome and Alstom Atlantique would be in a favored position, since they signed a cooperation protocol with the Sorefame (United Companies for Metallic Manufacturing) company at the end of 1981.

5058

CSO: 3519/366

## NO IMMEDIATE DROP IN PRICES OF PETROLEUM PRODUCTS

Madrid EL PAIS in Spanish 16 Mar 83 p 53

[Article by Alberto Valverde]

[Text] Madrid--Pressed by tax-collection problems and facing the need to halt the growth of the public deficit, the government has ruled out for the time being an immediate reduction in the prices of petroleum byproducts despite the \$5 drop in the list price of crude announced by the OPEC. However, government sources do not discount the fact that the turn of events might bring about a slight downturn in prices maybe in less than 2 months.

The need to recoup almost 200 billion pesetas in petroleum income and tax revenue lost in the course of 1 and a half years when the prices of fuels remained unchanged, coupled with the temptation existing in some official department to compensate for unexpected outlays in the public sector with increased tax pressure on gasoline, seem to be the two principal reasons weighing on the mind of the organizations in charge of the energy and economic policy concerning petroleum when it comes to resisting the pressures to lower the prices of fuels.

Even so, sources in the refining sector and particularly in the automotive sector consider that a downward adjustment of the prices of gasoline and other petroleum byproducts is urgent, and believe that it would be improper to expect that both sectors, already harshly punished by the crisis, will bear alone the brunt of the additional public financing needed by other sectors that are also being severely affected by the crisis at this time.

## An Unexpected Gift

Only the substantial recovery that the consumption of petroleum byproducts has been experiencing in the first 2-months of this year (which some statistics place at about 5 percent), and the need to maintain an energy policy that is consistent with the drop in the price of petroleum within the Spanish energy structure limit the claims of these two sectors when it comes to making known their demands.

Notwithstanding, the unexpected gift that the downtrend in world crude prices represents for the Spanish economy seems to favor, in an objective examination of the figures, the markdown in fuels.



Thus, the \$5 cut in the price of Arabian light crude coupled with those already announced by Mexico and the North Sea producers will reduce by \$3.50 the average price per barrel of crude imported by Spain, which in 1982 was in the order of \$32. That 12 percent saving (some \$1.1 billion at least) in the tab of our crude purchases has been limited by the depreciation of the peseta, which could gnaw away up to half of the saving in question.

But in the opinion of the sources of the sector consulted, there is still margin for lower fuel prices especially when considering that the last re-adjustment--decided by Finance and Economy Minister Miguel Boyer a few hours after taking office last December--was made with enough margin as to recoup in less than 6 months the lost tax revenue and the petroleum income that was not obtained in the second half of 1981 and in 1982.

#### Lost Tax Revenue

Official estimates had noted that with a stable peseta relative to the dollar and without any change in the prices of crudes, the 100 billion-peseta loss in tax revenue plus the like-amount loss in income would have been recouped before June.

This means that by maintaining 1983 tax pressure at the same level of 1982 (some 220 billion pesetas), the government would have to adjust the price list downward at some time. Other official sources, however, alleged that this adjustment would not be made inasmuch as in forestalling a decrease in consumption or in the likelihood of an increase in tax revenue, all the variables would be different and the problem therefore would have to be studied from new points of view.

In any case, the sources consulted concur in pointing out that the new situation in the world petroleum market will force the government to make some decisions on this front in a relatively short time. Nevertheless, the recent statement of Boyer himself--warning about false expectations on this source--lead to the belief that the Finance Ministry has its own ideas about how to plug the many tax loopholes that are developing in a more or less unexpected fashion, the same sources add.

8414

CSO: 3548/263

DEHOUSSE ON ECONOMIC PROBLEMS OF WALLOON REGION

Brussels LE PEUPLE in French 14 Feb 83 p 3

[Interview with Jean-Maurice Dehousse, minister chairman of the Walloon Regional Executive, by D.C.; date and place not specified]

[Text] [Question] The Bureau of the PS [Socialist Party] wants to regionalize the five national sectors, provided the infrastructure, scientific energy policy, the port facilities, and the credit sector are all regionalized. Do you think that this is realistic? Isn't this going too far?

[Answer] What is unrealistic is to regionalize only the five sectors. We are being asked to drive a car, but we are not given the ignition key and gasoline. Through the five national sectors, it is quite obvious that it is the steel sector that Mr Van Den Brande is aiming at in his two proposals (and there are two, but that is another story).

Mr Eyskens was very clear in his recent interview with your paper. "I want to save Cockerill-Sambre," he said, quickly adding, "The five national sectors must be taken out of the hands of the national government." In other words, the minister of economic affairs wants to save the Walloon steel industry...provided it is the region that does it. One can hardly be more cynical.

To come back to the example of the car, I won't beat around the bush, either. If the problem is regionalized, the means to solve the problem must be regionalized.

I would personally add that if Flanders does not want to finance the steel industry any longer, I have thought for a long time that Wallonia has no reason to finance the folly at Zeebruges.

[Question] Then you are also asking for regionalization of energy policy and credit. What do you expect from this?

[Answer] In the steel case, the current government's first step was to sign an agreement with the banks, and the socialist members of the regional

executive rejected its terms. How do you expect the region to take over in this area if it has no power--and thus no way of applying pressure--in the area of credit, borrowing, and spending?

As for energy, which plays a particularly important role, it is obvious that if the region is to have control of its steel production, it should be able to choose its energy supply. For instance, it would be inconceivable if it were to be forced to continue to be supplied with Campine coal, if other alternatives were better. There is likewise no reason why the Walloon region should continue to be involved in the risky problems of the Algerian gas, involving the ruinous development of Zeebruges port.

Everything is interrelated. It is completely hypocritical to deny it. This is why, in Van Den Brande's proposal, it is the entire government machinery that the CVP is inevitably questioning.

He is the one pushing separatism, just as I told PEUPLE last October.

[Question] According to Van Den Brande's proposal, the key for determining the distribution between the regions is 65 percent for Flanders and 35 percent for Wallonia. Is this acceptable to the two parties?

[Answer] Of course not, because after years of trying, we have found a distribution key--the 1979 one--which gives 57 percent to Flanders and 43 percent to Wallonia, leaving out Brussels.

Why should we agree to their stealing another 8 percent from us to give to Flanders? Moreover, we should add that the prime minister has talked about fiscal transfers, which would reduce Wallonia's share even further. That's going too far.

[Question] What do you consider to be the best method of financing for a truly regionalized Belgium? Endowments? Fiscal transfers?

[Answer] I do not see why the 9 August 1980 law on financing regions has to be changed two and a half years after it was passed.

Endowments would be used for any new areas to be transferred from the national government, and fiscal transfers for the rest, bearing in mind that responsibility for taxes in general will gradually be shifted to the regions.

I would add that it would be even sillier to modify the 1980 system since it was designed to be applied gradually.

To change it would clearly mean a complete revamping of the system, which is what Flanders wants.

[Question] In this regard, the Flemish press reports that you were not enthusiastic over the King's recent speech. Is this true? And if so, why?



[Answer] I was not elected to be enthusiastic over something I do not agree with. However, I do not want to comment on the address of the head of state.

[Question] How do you view the problem of the external relations of the regions and communities?

[Answer] An article or even a small book could be written on the subject. I will confine my comments to three points.

First, the regions do not have the same jurisdiction in this area as the communities.

Second, regionalization does not mean a turning inwards. In the twentieth century, relations with the outside world are a vital necessity.

Third, unless the jurisdiction of the regions in external affairs is to be extended a great deal further, people should stop talking about regionalizing the steel industry.

[Question] Why?

[Answer] Because the capacity of steel companies is not fixed by the government but by the European Community, and regional powers in this area would mean a direct power to negotiate in the European communities.

Your paper quoted Mr Eyskens as saying: "The Grand Duchy, with its 300,000 inhabitants, is financing and reorganizing Arbed. Why don't the Walloons do the same thing with their steel industry...?"

In the current situation, quite simply because Wallonia is not structured like a state. Luxemburg has the powers needed in the areas of credit and energy. Moreover, it has its say on a European scale. Who is going to defend us at the EEC if only the five sectors in question are regionalized? Mr Eyskens, Mr Tindemans, or some other similar VCP type? No thank you.

This is why I quite frankly told the Walloon Regional Council, as president of the regional executive: "Although this problem does present new possibilities for expanding the jurisdiction of regions and giving us at the very least the possibility of adapting new aspects of our policy, if not our means, to the situation in our region, it does entail the danger of seeing the region given jurisdiction in certain areas but not powers. Taking the case of the steel industry again, to act effectively in this area, for instance, both a certain power in the field of credit or credit policy and the power to negotiate directly within the EEC, whose supra-national authority is not legally contested in this sector, are needed."

No one argued with me, because my answer is not based on partisan politics. There is a technical link between the sectors listed. This by the way proves that when you talk simply about "regionalizing the steel sector," this implies a central government structure that goes beyond the confederation. That doesn't bother me, but it is important to realize it and state it plainly.

[Question] Do you find the agreement on Jose Happart's appointment satisfactory?

[Answer] No, because Jose Happart is still not burgomaster, but this shows that the Walloons always have to give in on something to ensure that the law is applied.

[Question] But the prime minister spoke in this connection of an opinion of the Council of State. What do you think of that?

[Answer] The prime minister is being very careful to hide the fact that it is an opinion of the Flemish chamber of the Council of State.

[Question] Are you in favor of setting up a center to study community problems?

[Answer] No, because community problems have been studied for the past century; we will soon be celebrating the one hundredth anniversary of the first Walloon congress. And, even more importantly, because the Belgian government is extremely sick. Creating a research center is tantamount in fact to refusing to treat the illness. No one has ever cured a patient by hiding the thermometer. The government, in fact, is risking an emergency operation, and it knows it. The community refrigerators are holding something explosive in this country.

[Question] How do you see the future?

[Answer] Like Necker, who was Louis XVI's minister, and whose advice to take immediate action was ignored, with the result that his government is what we now call the "ancien regime."

[Question] Are we heading towards a takeover of the Bastille?

[Answer] I want to believe that reason will prevail, but I know what Flanders wants--it makes it obvious enough. And I also know that time is not working in favor of the Walloons, but clear thinking and courage are: clear thinking to understand, and the courage to act. No future is built on outdated nostalgia.

9805

CSO: 3619/50

## GREENLAND, EC COMMISSION VIEW OLT ALTERNATIVE

Zuerich NEUE ZUERCHER ZEITUNG in German 23 Feb 83 p 9

[Excerpt] Brussels, 21 February. On the first day of their two-day meeting, EC foreign ministers found a considerable agenda to deal with: on the one hand they had to prepare the 14th meeting of the CEE ministers conference in Spain which will start on Tuesday--/Spain/ like Portugal/ wants to join the EC as soon as possible-- on the other hand they held an initial exploratory debate on Greenland's request to leave the community of ten. The Council of Ministers also agreed to hold the next election of 434 delegates to the EC Parliament community-wide between 17 and 20 May 1984. In June 1979, members of the EC Parliament were for the first time elected directly by the population of the then community of nine. In spite of urgent appeals by EC Vice President Natali, the ministers again did not succeed in agreeing on a unified election system. This will probably not be accomplished before the elections of 1989.

## Special Status for Greenland?

On 23 February 1982 the citizens of Greenland decided on the basis of the internal autonomy granted them by Denmark and by a majority of 52 percent against remaining in the EC. And already on 19 May 1982 the Danish government submitted to the Council of Ministers a memorandum on a revision of EC agreements which makes Greenland's withdrawal from the EC possible. After intensive contacts with Copenhagen and Greenland representatives, the EC Commission, or rather EC Commissar Burke who is in charge of the Greenland question, proposed to grant this island of 2.176 million square km and a population of merely 50,000 /association status of an "overseas territory and country"/ (OLT).<sup>18</sup> overseas possessions of CE countries, e.g., the Falkland Islands and French Polonesia, are at the present time taking advantage of this status in accordance with article 131 of the EC Agreement. With OLT areas there are regulations regarding cooperation and financial assistance.

If Greenland is given OLT status, the inhabitants of the island would have to /do without the financial resources of certain EC funds/ from which they have received more than 100 million ECU so far. In addition, the EC Commission in its "Greenland Paper" set the /withdrawal price/ relatively /high/. The reason is that Brussels believes that in case of Greenland's withdrawal a /fishing rights agreement between the EC and Greenland/ would have to be made which, on

the one hand, assures EC fishing rights at the coast of Greenland, while, on the other hand, Greenland would have to be granted free EC access to its fishing industry products.

#### Genscher Regrets

The Danish delegation chief, Foreign Minister Uffe Ellemann-Jensen--a brilliant advocate of Greenland's interests--declared that he was /satisfied/ with the attitude of the EC Commission and he emphasized that both Copenhagen and Greenland itself are in favor of OLT status. In regard to the problems of the fishing industry he told the Council of Ministers that in order to retain fishing rights in Greenland waters the EC would not only have to guarantee free access [to the EEC] for fishing industry products of the island but in addition would also have to pay for the fishing rights.

8889

CSO: 3620/228

## APPRAISAL OF MADRID'S FISCAL POLICY IN FIRST 100 DAYS

Madrid EL PAIS in Spanish 12 Mar 83 p 24

[Article by Carlos Gomez]

[Text] Madrid—The devaluation of the peso at the debut of the cabinet, and the expropriation of Rumasa a mere 2 weeks ago, mark the beginning and ending boundaries of the Gonzalez administration's first 100 days of economic management, characterized by the "inheritance syndrome." Urquijo, Rumasa, delayed price rises (fuels, transportation), underestimated public deficits for preceding fiscal years, drought, floods, pending industrial reconversions, all have been a legacy that mortgaged nearly 90 percent of the government's pressing economic decisions, to the detriment of the platform the Socialists offered during the elections.

The irresistible ascent of the men from the Businessmen Circle and from the Boada clan to the pinnacles of power in public enterprise, the consolidation of Miguel Boyer's moderate line, and the delay in submitting the 1983 budget bill, fill out the general lines of the economic policy pursued during that period.

In the investiture debate in Parliament, Felipe Gonzalez highlighted his government's economic objectives: the creation of 800,000 jobs in 4 years; the reduction of the inflation rate by 3 points in 1983 with respect to the previous year; a 2.5 percent growth rate in the gross domestic product; a growth of 13 percent in liquid assets; and the intensification of energy savings through a policy of realistic pricing.

"1983 Will Be a Bad Year"

Four days later, on 4 December, the government announced the devaluation of the peseta by 8 percent and a 1-point increase in the cash ratio (mandatory deposits in the Banco de Espana), which entails removing some 140 billion pesetas from the credit system. A few days later an average increase of 20.5 percent was approved for fuel, prompting the first serious criticism (in the economic sphere) of the new cabinet. Miguel Boyer points to the effects of the recent devaluation to justify the sharp rise in fuel prices, and denies that the government is trying to use it to bolster tax revenues.

Assertions that the Spanish Socialist Workers Party (PSOE) had already practically completed the state budgets for 1983, some of the present ministers having drawn them up while the election campaign was still underway, or the announcement at that time that Felipe Gonzalez' party had ready a battery of legislative proposals for immediate submission to the Cortes, have become good intentions thwarted by the immediate reality. The very orthodoxy and moderation of Minister of Economics and Finance Miguel Boyer, who since taking office has not stopped reiterating "that 1983 will be a bad year, both for Spain and for the world at large," have not stopped the government from lowering its estimates of PBI growth (from 2.5 to 2 percent) for this year, in a matter of weeks.

The government's current economic team has given up on an expansive policy, in an international context of stagnation, and has opted to "nurse the economic system back to health in order to create a more favorable foundation for the upswing phase of the next economic cycle" which is presaged by the recovery noted in recent months in the United States. "This entails," in Boyer's words, "putting our economic house in order in the brief period of 1 year, cutting inflation and bringing the balance of payments deficit down to a level at which financing poses no serious problems."

The minister himself acknowledged that this policy has its risks, "some linked to the apparent postponement of the needs very justly felt by the majority of the Spanish people, and others tied to the uncertainty of the times and the scope of the future international reactivation."

#### Prices, Social Security, Taxes

In this regard, the new government has confronted the unpopularity of a devaluation of the peseta and of numerous price hikes: fuels and gasolines (20.5 percent), airfares (10 percent), goods transported by highway (5.84 percent), travelers' autocars (3.11 pesetas per kilometer), tobacco (12.4 percent), electricity rates (7.5 percent), pharmaceutical products (8 percent), and fertilizers (9.5 percent). The minimum base contributions to Social Security have risen by 13 percent, the maximum contributions by 16.02 percent; the contribution of wage-earners has increased, while that of businesses has fallen. Finally, within the framework of the decree-law of 31 December on Urgent Budgetary, Financial and Tax Measures, many taxes have been revised—the increase being partially compensated by allowing larger general and family deductions from the income tax for physical persons—while it has been announced that this year fiscal pressure will rise by 1 point.

The success or failure of these measures, which respond more to an orthodox policy of economic recovery than to a policy of redistributing wealth, will only be apparent in the medium term—never in 100 days—and will depend to a great extent on whether the government manages to contain public spending and the public deficit within the announced limit of 6 percent of the PBI, to keep inflation at 12 percent, and to bring about an improvement in the balance of payments.



In the very short term, these measures will not prevent unemployment from rising: from 2,064,600 unemployed workers registered at the end of November (15.87 percent of the workforce), the total climbed to 2,207,866 (16.85 percent of the workforce) by the end of February. Price hikes are pushing inflation upward during these initial months of the Socialist administration; and the major bank and business crises the new cabinet must cope with are draining resources and aggravating the difficulties in containing the public deficit. The newly negotiated wage raises (for the first time, and this is an innovation introduced by the government, there has been collective bargaining in the administration) also affect the objectives established for the annual inflation rate.

#### Pensions and Minimum Wage

The majority of the government measures taken under the PSOE program in the economic sphere have been carried out by the Ministry of Labor and Social Security. One of the most controversial was the government's decision to send to the Cortes a bill that would cut the work week to 40 hours and extend the vacation time given all wage-earners to 30 days, although subsequently this matter was taken over by labor and management in the Interconfederation Framework Agreement.

During these 100 days, the government has also raised the interprofessional minimum wage by 13.08 percent, to 1,072 pesetas per day. It has also committed itself to a new biannual review of that wage if the inflation forecasts prove to be wrong. Pensions have been raised by an average of 13 percent.

In the external sector, no progress has been made in the process of joining the European Economic Community (EEC), and fishing negotiations with Portugal, Morocco, Canada and the EEC have been postponed.

8926

CSO: 3548/288



## SUBSIDIES TO BANKS ENVISIONED TO STIMULATE EXPORT CREDIT

Madrid EL PAIS in Spanish 12 Mar 83 p 47

[Article by Salvador Arancibia]

[Text] Madrid—If the cut in the per-barrel price of oil to \$29 is confirmed, and if the downward trend in consumption of crude by the Spanish economy continues, the impact on the Spanish balance of trade would result in a savings of between \$1 billion and \$1.2 billion in 1983, according to calculations by the Secretariat of State for Commerce. The past Council of Ministers approved the decree-law on export credits which modifies current legislation and paves the way for private banks and savings institutions to receive subsidies in order to effectuate the export credits for national products.

Luis Velasco, secretary of state for commerce, stated at a press conference that according to the theoretical calculations his department had done, if the price of Saudi crude remains at \$29 per barrel and the decline in oil consumption—in 1982 it dropped by more than 10 percent below the previous year's level—remains at about 5 percent, the savings in payments for imports could exceed \$1 billion. However, he said, taking into consideration that consumption in January 1983 grew by 3 percent with relation to the same month of the previous year, the figures at hand are still mere approximations.

Based on these assumptions, the Ministry of Economics and Finance estimates that the current account balance deficit will reach \$2.8 billion by the end of the year, as opposed to \$4.1 billion at the close of the 1982 fiscal year.

## Trade Quota

According to the secretariat of state for commerce, the maintenance of the oil trade quota is a necessity, because it guarantees supplies for crucial periods; furthermore, the reduction of the average price of oil is not significant enough to justify the elimination of that quota. In 1982, the average price per barrel of petroleum obtained outside the trade quota was \$1 below the price of that purchased through state-state contracts.

Among the government's objectives for this year is that of achieving a real growth rate of 5 percent in exports, while world trade is expected to grow at approximately half that rate.

This means gaining a share of the market, and for that purpose it seems that an expansion of financial instruments is essential. These instruments are becoming increasingly vital to the sale of products abroad.

Last Wednesday's Council of Ministers approved a decree-law modifying the possibilities of using state funds to subsidize export credits. The decree-law makes it possible for all financial institutions, private banks, savings and loans and foreign banks, whether or not they have offices in Spain, to obtain foreign currency or peseta resources to loan to exporters, receiving a subsidy equivalent to the difference between the cost to them of those resources, and the interest rates they must charge for the loans, within the "OECD consensus."

The discussion between the administration and Spanish private banks has focused on whether or not all banking institutions should have access to this subsidy mechanism, or if, on the contrary, only those headquartered in Spain, which therefore have to cover an export coefficient (3 percent in the case of banks), should have such access.

The Spanish Private Banking Association (AEB) claimed that it was not fair for a foreign bank without a branch in Spain to be able to undertake subsidized transactions, because they do not bear the burden of the credits that are mandatory at privileged interest rates because of the coefficients. The administration, in its modifying decree-law, preferred to leave the door open to all banks without distinction, following the model implemented in Italy, although it is noted that in the decree that is developed by the new law, a certain amount of caution can be imposed for the first few years so that foreign banks not represented in Spain cannot make use of the subsidies.

The modification of the formulas for financing exports represents an attempt to streamline procedures, with everything going through the Spanish Export Credit Insurance Company (CESCE), without having to create a new commission to accept the transactions. Credits granted using foreign reserves obtained abroad will have to have a certain coverage for that financing, which means that the policy written with the CESCE will be more expensive.

Predictions at this time are that 257 billion pesetas will be available to finance exports throughout 1983, in addition to the 1 trillion pesetas represented by live export credit.

8926

CSO: 3548/288

## VALUE ADDED TAX THREATENS INCREASED INFLATION

Madrid ABC in Spanish 3 Mar 83 p 47

[Article by Luis F. Fidalgo]

[Text] when the value added tax goes into effect, it will cause a 4-point increase above the rate of inflation now existing in Spain, according to predictions of the CEOE [Spanish Confederation of Business Organizations], although that percentage will go down to 2, according to Ministry of Finance estimates. An additional increase in the rate of inflation could be caused by an accentuation of the price-wage spiral, produced by the failure, in collective bargaining, to deduct the price increase due to taxes.

This is one of the conclusions emerging from the special report contained in the most recent issue of the periodical of the Institute of Economic Studies on the effects of the application of the value added tax. this negative effect could be controlled through the establishment of two IPC's (consumer price index), one with the VAT included and the other without it, using the latter as the basis for collective bargaining. According to the study, Spain has a precedent in ANE [National Agreement on Employment] negotiations for 1982. Assuming that the value added tax would have gone into effect last year, it would have provided the treasury with over 1 billion pesetas in income, an even greater sum than from the income tax.

At the present time, the administration has practically completed the drafting of a new text for the value added tax bill, which would partially reform the one presented to the preceding legislative session. Expert opinions canvassed by the periodical hold that such modifications will be more in form than in substance and it is hoped that the discussion by the Cortes will not be excessively delayed in the coming months.

The Institute of Economic Studies report includes reports from a meeting of experts organized by the Brookings Institution (one of the largest institutes of applied economics in the United States, on the effects of application of the tax in various European countries.

Experience in other countries shows that the value added tax causes an increase in investments and considerably steps up tax collecting, meaning that in the category of exports, in the specific instance of Spain -- due to the fact that

we are not starting from a situation of tax neutrality -- adoption of the value added tax "will probably cause disruptions differing in nature and intensity in the different productive sectors, which must be taken into account by the government."

The value added tax, despite its tax revenue potential, does not incorporate effective mechanisms of control preventing tax fraud, meaning that the degree of evasion estimated by Professor Aaron is very high, particularly in the case of Italy.

The Institute of Economic Studies study shows that given the mechanics of the tax, if billing for products subject to a type of duty lower than that on purchases, it may happen that businesses will be forced to resort to public financing, without interest, for long periods of time. In the case of Spain, if the text of the last bill is not corrected, that period comes to 2 years, which would have a substantial negative effect on business financing. Something similar would happen in the case of tardy payment, in which case the very company sending the invoice would have to forward to the treasury a tax it is slow in recovering.

11,464

CSO: 3548/244

## JOINT ECONOMIC COMMITTEES ON LIBYA, IRAN, USSR RELATIONS

Istanbul DUNYA in Turkish 7 Mar 83 p 1

[Text] Ankara--While plans progress for joint Soviet Union, Iranian, and Libyan economic committees to meet with Turkey in March and April, replies to calls made in order to set meeting dates are being awaited. For this purpose, an official invitation was sent to Iran to bring the joint economic committee together in Ankara at the end of March. A delegation headed by Iranian Ministry of Trade Assistant Undersecretary Veliullah Seyf, which is expected to come to Ankara on 12 March, will make contacts prior to the joint economic committee meeting. The Iranian delegation will also work in the light of committee actions set to determine Iran's indicated import items from Turkey for 1983.

Several problems stemming from bilateral economic and trade relations are also on the Turkish-Iranian joint economic committee agenda. The chief of these problems is the restriction that Iran has placed to date on the importation from Turkey of iron and steel manufactures. Despite the fact that Turkey planned to sell approximately 1 million tons of iron and steel goods to this country in 1983, Iran is leaning toward cutting this amount in half.

It is said that the joint economic committee will also discuss the pipeline project, which aims to transport Iran's natural gas to Turkey, and, at the same time, the petroleum pipeline, which, it is planned, is to be constructed between Ahvaz and Iskenderun, but which has been shelved because Turkey does not deem it feasible. In addition, it is expected that transit trade to Iran over Turkish soil and several related technical issues will be taken up by the committee.

In addition to the Turkish-Iranian meeting, agreement was reached that the Turkish-Soviet Union joint economic committee will meet in Ankara in April. The work and trade topics of the joint economic committee, whose definite meeting date will be set by the parties this month, were discussed during talks between Minister of Foreign Affairs Ilter Turkmen and USSR First Deputy Minister Kornienko.

The Turkish-Soviet Union joint economic committee will meet for the first time after working out the principles behind free foreign exchange for trade between the two nations dating from 1 January 1983. Besides indicated goods

lists, which will develop a reciprocal trade framework, the committee will also discuss the natural gas pipeline project to Turkey that the Soviet Union proposes. The Turkish-Soviet Union joint economic committee will work to increase trade volume in the light of conclusions reached in trade talks held in Ankara at the end of January. Ministry of Trade officials, however, believe that the Soviet Union "will be able to act more sensitively" in relation to the clearing period and that the alternative of being directed toward world markets in price, quality, and types of goods will be able to be used "depending upon the degree of simplification perceived from Turkey."

11673

CSO: 3554/191

## FREE ZONES NOT PANACEA FOR DEVELOPMENT PROBLEMS

Istanbul MILLIYET in Turkish 7 Mar 83 p 2

[Article by Dr Cem Alpar, Gazi University assistant professor]

[Text] "This event is the most decisive step and fruitful result of efforts expended over a period of 150 years toward the westernization of Turkey and toward its becoming an equal and rightful member of the western world."

"With this agreement, unemployment will be prevented, and price increases will cease."

"The 22-year-old Common Market will bring prosperity and good fortune. One can go empty-handed anywhere he likes, to Rome, to Paris, and purchase any automobile he likes without a permit, without paying a customs tax."

These are but a few examples of the hundreds of statements, news reports, and headlines that appeared in the Turkish press after the joint agreement between Turkey and the EEC was signed on 12 September 1963.\* As can be detected by these statements, while the Turkish-EEC partnership was appraised in a number of different manners and always in Turkey's favor in those days, reports and headlines mentioning potential economic problems that this association could create in the future were so few that it could be said they were denied. Yet, 20 years after the signing of the agreement, we are unable to go to Paris to buy a car, nor have we solved Turkey's unemployment problem.

Having followed the reports in the press in recent days of the "free zones," I, like it or not, am forced to recall the former statements. In my opinion, those who wish to transform all of Turkey into a free zone must, before everything else, comprehend well the distinction between free-production zones and free-trade and transit zones and must not overlook, among those countries implementing free zones, Singapore and its \$5-billion foreign-trade deficit, Malaysia and its \$4-billion trade deficit, and South Korea and its \$3.5 billion trade deficit in 1980. Those who claim that Turkey is late in establishing a free zone are in a position to remember that nations which have free zones attempt to keep workers' wages at a low level in order to attract

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\* Mehmet Ali Birand, "A Market Tale," Milliyet Press, 1978.



more foreign corporations there and, for this reason, these countries close their eyes to the employment of women and children as well as fail to permit unionist activity in these zones.

If Turkey does set up a free zone despite all these reminders, we should be able to study what benefits could be ensured and what costs could be incurred.

#### Divided into Two Groups

We can divide free zones into two groups. The first type of free zone can be thought of as a free port that provides primarily transit freight service. Ships belonging to foreign and domestic firms pay in foreign exchange for free-port services they utilize. The free-production zone we define as the second type is quite different from the first. Foreign corporations in the zone engage in production that is directed toward exportation. A characteristic of this production, however, is that, with the exception of cheap labor and various basic necessities such as energy and water, all the intermediary goods and raw materials required for production are obtained by means of importation. In free-production regions, tax laws dealing with customs taxes in particular and other bureaucratic regulations are lifted in order to facilitate this assembly production.

For the establishment of free-transit regions, it is necessary to have complete infrastructural services such as roadways and communications. Here, when making a profit and cost analysis from Turkey's point of view, it is necessary to calculate the side benefits of free trade that will be ensured because of consolidation in Turkey in addition to the foreign-exchange revenues that will be obtained as a result of these expenditures.

#### Production Regions

The question that needs an answer in regard to free-production regions is whether or not Turkey can summon foreign corporations by offering cheap labor. Won't industries directed toward exportation that are established in this zone compete with Turkish industrial products aimed for Middle East markets? Won't concessions, cheap credit and energy, and a low organizations' tax granted foreign corporations indirectly render them more powerful on international markets than domestic firms?

If Turkey does set up free-production zones, existing fiscal laws must be re-examined. This is because the Decision to Protect Turkish Currency and other related decisions impose stiff fines on those who do not comply with restrictions and decisions important to foreign-exchange operations.

When analyzing costs and profits of free-production zones, it is necessary to keep in mind what percentage of value added created in the zone will remain in Turkey. It is clear that, as the amount of labor and other materials sent from Turkey to the free-zone increases, the result of production will be an increase in the added value remaining in Turkey.

Another point that must be considered is whether or not workers in the free zone will possess union rights. Because union rights are restricted in practice elsewhere in the world, the ICFTU (International Confederation of Free Trade Unions), to which Turk-Is [Turkish Confederation of Labor] belongs, looks upon free zones with suspicion. From this standpoint, the views of Turk-Is on this issue are gaining distinct importance these days, during which preparations to form a free zone are intensifying.

In my opinion, another topic requiring careful thought is the social aspect of implementation. The potential positive and negative effects on the way of life and the values of the people of the zone that would be created by the free zone must be estimated now and must be added to the cost and profit comparison.

#### Conclusion

It is not possible to agree with the views of those who propose the establishment of a large number of free-production zones, in particular, in Turkey. Industries relying on labor-intensive technology and directed only toward exportation will be very susceptible to world conjunctures. Because export revenues can shrink instantly through an economic crisis in the world that first reflects on goods of these types of industries by means of reduced demand, the national economy could suffer great harm.

Furthermore, when looking at the level of industrialization and technology Turkey has achieved today, it is not possible to accept that our hopes for development will be realistic in approaches that are connected with a free zone.

I believe that the points I have brought up thus far make it imperative for us to address the establishment of a free zone in a very careful and deliberate manner. The opposite position will serve no other use than to force us, as happened with membership in the Common Market, to retreat within a period of time and criticize ourselves.

11673

CSO: 3554/191

## SCENARIO FOR SPLITTING OF BELGIAN STATE GIVEN

Brussels KNACK in Dutch 9 Feb 83 pp 25-28

[Article by F.V.: "Everybody Agrees Belgium Is Finished; A Scenario for the Time After the Fifth Martens Government"]

[Text] We are now confronted by such a quick succession of facts and situations that we can no longer ignore the conclusion: the Belgian state with its economic decline and its big crisis of national institutions is no longer operational. Clinically speaking, the doctors have given up hope, but nobody has the courage to publish the medical bulletin. Nevertheless, the time has come to do so, with some regrets but also without bitterness.

In all possible circles, including the very best, the political atmosphere and willingness to "blow the whole thing up, disperse, and put a stop to it" has been acute for several months. However, especially since Christmas the news telexes have mentioned so many words and deeds indicating an early outcome that there is hardly a chance that the question: "Will Belgium still be there in 1984?" can be answered positively.

The breaking point was probably the appointment of Jose Hawpert as mayor of Voeren. But additionally and simultaneously the publication, as ordered by the French-speaking community, of the Lagasse decree which again wants to establish French-language classes in Flemish schools. Controversies of this nature cause diplomats to break off negotiations. This was also the case in internal Belgian diplomacy. Last weekend Guy Spitaels, the Walloon chairman of the PS [Socialist Party], invited all Walloon representatives, including economic and social leaders, to do something in the nick of time for the "salvation of the French community in Belgium." A few days earlier regional Minister Jean-Maurice Delhousse had done the same thing by asking for a meeting of the Walloon parliament.

PSC [Social Christian Party] Chairman Gerard Deprez who is also a representative of the Walloon point of view, said: "We do not want any more CVP [Social Christian Party] decrees." He got his satisfaction when the Happort question was decided. But it also entails a complete schism in the Christian democratic political movement in this country.

On the Flemish side, the unmistakable VU [Flemish People's Union] point of view concerning Flemish economic autonomy has now been known for about 3 years. But something else has come up. Recent polls indicate that, of course after the CVP, the VU is now the biggest party in Flanders. It has 20 percent of the votes, twice as many as the PVV [Party for Freedom and Progress] and SP [Socialist Party] are now having, and only 13 percent less than the CVP. Since the IAO opinion poll of January the CVP sustained heavy blows as the results of the steps taken by the government. This would not have been so bad if the party had not shown that it was willing in advance to support the regional deep-freeze policy of the Martens-Gol government.

This policy favors the establishment of a so-called study center (sometimes also derisively called the Happert Committee, on the analogy of the famous Harmel Committee after World War II); all questions coming up in connection with the relationship between Dutch and French in this country would stay in this committee for 2 years. The idea can easily be understood. Premier Wilfried Martens is justified in saying that raising regional quarrels would mean the demise of his government. He explained that he wanted to prevent this at all cost because the dissolution of his coalition would compromise our so-called economic and social recovery.

The only problem is that a few urgently needed government decisions (on Walloon steel, 44 new military airplanes, and adjustments of social benefits) are purely regional in nature. A parliamentary coverup of Luc Van den Brande's proposed legislation, up to last week loudly praised by the CVP, will not do much good. Ignore what comes naturally and it will present itself very soon again.

PVV Chairman Guy Verhofstadt said something ominous. He believes that the Happert appointment was not worth a government crisis to the liberals. However, the steel crisis would be an entirely different matter.

Here is the real problem. Martens could conceivably persuade the CVP to meet the financial problem of Cockerill-Sambre in order to save something as important as the national economy. However, Cockerill-Sambre does not only require that the Flemish give in regionally but also ideologically. The case directly jeopardizes the liberal doctrine on government interference in industrial matters. Now that the Flemish PVV is in danger of ruining its historical comeback of 1981 by being unfaithful to its principles, advocated with such big approval, it can no longer give in to the trial of strength surrounding Cockerill-Sambre. This is also something that will contribute to the demise of the Martens epoch.

Traditional observers, like authors of leading articles, are well aware of the process of deterioration. In Flanders, all articles expressing an opinion on the subject end in desperation, in a black hole. A new element is that Flemish socialist opinions are now in complete agreement. For the first time since 1830 the split between the Flemish and Walloon labor movement is now clearly visible, complete, and irreparable. In this connection there is no difference between Karel van Miert and, for instance, Eric Van Rompuy. The latter exclaimed under CVP applause that his party represents not more than 30 percent of the Flemish vote and has, therefore, become too weak to defend the preservation of the Belgian system. According to Rompuy, the CVP is no longer prepared to pay its price.

In the coming days and weeks, more and more parliamentary debates will be concluded with bloc votes of Dutch-language against French-language groups. The first instance will be the attempt to overturn the Lagasse decree. A political system cannot survive such blockades for more than a few weeks. The fact is that our parliamentary ground rules contain stops in such a manner that that one blockade will cause the next. There comes a moment that the government can no longer take any action.

Prime Minister Wilfried Martens has enough constitutional insight to realize this. The only conclusion is that he has also lost control and is only trying to gain time to postpone the collapse of his economic policies and his own downfall.

The short circuit between the regional governments and the central government has in the meantime become permanent. The dossiers of regional executives asking for arbitration (which is impossible) are becoming more numerous every day. The Flemish CVP Minister, Gaston Geens, is quite frank about it and dissents openly with CVP Premier Martens and his request for a regional freeze period.

However, such a cooling down is actually not feasible because in a number of technical decisions the regional elements are too important. In this connection the prime minister declared only last weekend that Cockerill-Sambre's reorganization will, no matter what, take place on the basis of the government decision of December 1982. This entails acceptance or imposition of a wage decrease for 1983 of 1.5 billion francs in the Walloon steel valleys. This decrease should have begun on 1 February. But the government can no longer succeed in sending the Walloon steel workers home with the required loss in wages. The government's plans and policies in this respect are already ruined before their start.

Caught in a web of great difficulties within his own cabinet Wilfried Martens was forced to disavow his own brain child, the plan of August 1980 to reorganize the government. He does not protect the Flemish regional government at all. It receives insufficient funds to "bring about a real restructuring of the life of the Flemish people," as Flemish Minister Hugo Schiltz likes to say.

Schiltz was not quoted accidentally. A recent conversation with him taught the editor a lot. He also stated that his cabinet "has made it its duty to study in advance the perhaps imminent collapse of the structure of the Belgian state and will be ready with practical alternatives."

The Flemish VU politician assumes that with the currently available data it will actually become impossible to form a national government after the next crisis. How can a central executive force possibly be formed if all political parties adhere to what they are now saying? The feisty attitude of CVP Chairman Frank Swaelen who excludes a government coalition with the socialists "for many years to come," is ominous in this respect. If the fifth Martens government falls, there are no longer any alternatives. A Walloon area as envisioned by Spitaels cannot make a pact with either the CVP or the liberals. And the government's fall will be proof in itself that a Catholic and blue formula is unsound.



In politics the word "never" has, of course, seldom been durable. But the recently formulated positions and declarations of principle sound so solemn and steady that they can hardly be denied. They indicate that a "point of no return" has been reached.

According to Hugo Schiltz, the first government crisis that comes along will start things rolling. Nobody can visualize how and with what personnel a then totally discredited political government can be restored. The government crisis will drag on till it becomes unbearable. It is easy to see that all the nation's political professionals will diagnose some sort of emergency. Then there will only be one safety net left: the regional governments; they may be weak but are at any rate functioning government bodies with a core of administration mechanisms.

One of Hugo Schiltz's basic concepts is that, whenever they find this appropriate, the Flemish politicians can bring about this absolutely peaceful change of government. Their choice in this matter can actually not be postponed indefinitely. They are now incessantly complaining about the "jammed" Belgian state which, they say, is ruining the Flemish people.

The question is: How long and to what extent Flemish politicians find Belgium worth this price? They know that only the Walloon territory is still interested in the formation of national governments. They, therefore, hold the key. But they have to make a choice out of two options: either they continue to pay the price and explain to the Flemish people why and to what purpose, or they put a stop to it. The present ambiguous course of action is utterly disastrous for the expectations of both young and older people who still believe that a state will serve some purpose. It is not right for the Flemish to keep saying bad things about a bogey they themselves are keeping alive. Flemish politicians have their own government and parliament. As they are also seated in the national parliament they can shift the accent, according to Hugo Schiltz.

Would abandoning the Belgian national structure not become a fatal step toward illegal actions and consequently to an operation in the nature of a coup?

The constitution contains sufficient safeguards to force the separating Flemish and Walloon partners to a divorce settlement agreeable to both parties, for instance in connection with allocating the national debt. Unanimity with special majorities should in this respect be reached by the two language groups before the confederate development of Belgium can be made possible. Such an agreement is unthinkable. Could the bickering partners therefore be forced to stay together because a divorce settlement cannot be reached?

That is not necessary according to Schiltz. All the nation's governing bodies, the parliaments, labor unions, social services, magistrates, and administrator generals could solemnly declare that necessity has no law. Parliament could issue a directive instructing the regional governments to take care of existing administrative duties. Unsolved problems, such as origin and allocation of taxes in the Brussels capital district could be solved pragmatically. For instance, by depositing these funds in a reserve account with the National Bank with withdrawal rights for the local government ("which would see to it that the lights stay on") during the transitional phase.



In this Flemish-Walloon confederation a common currency could even be maintained. For the Walloons it is the best solution because monetarily speaking they have nowhere else to go. However, they should then accept the standards (for foreign loans, etc.) of a strong and autonomous circulation bank. This is not so far-fetched because the present Walloon regional government, although it is trying to get as much as possible from the central treasury, is very conservative and well balanced as far as its own Walloon budgets are concerned.

Are not there people and forces in Belgium who would want to avoid this evolution, if need be by power of force? In other words: Would not the Belgian nation defend itself against dissolution?

Schiltz believes that the state is too weak. What is actually the Belgian state? Reply: the offices of a few big parties, the very cautious court surrounding King Bauduin, the leadership of the labor unions 20 to 30 persons in high finance, the high command of the army, the top administration and the federal police. Federal ideas, even with radical proportions, have now penetrated into these large entities. The bank, the unions, the army, and the federal police are led by emphatically pro-Flemish or pro-French leaders and officers. They will do nothing and they will not be mobilized to preserve the Belgian state artificially or undemocratically.

As soon as all magistrates in power and all persons with political mandates declare that there is no other way out, they do not even have to violate the spirit of the constitution, also without a formal and written amendment to the constitution.

Schiltz will not say when this will happen. It can be very soon and it can take a little longer after a period of frustration. "But the moment will suddenly arrive, perhaps unexpectedly."

10319

CSO: 3614/66

HELMUT KUHL DISCUSSES YOUTH, STRIKES, ELECTIONS

Cologne BILD in German 2 Mar 83 p 4

[Interview with Federal Chancellor Helmut Kohl by BILD Editor-in-Chief Horst Fust in the BILD editorial offices, date not given: "Youth, Strikes, Elections--the Chancellor's Views"]

[Text] BILD: Do you sleep well at night, thinking about the 6 March election results?

Kohl: Praise the Lord, I always sleep well. Since I have no doubt about an election result favorable to the Union, I sleep even better.

BILD: But the FDP threatens to deprive you of the secondary votes...

Kohl: We don't have any votes to give away. We need every primary and secondary vote. That's our policy.

BILD: You always talk about recovery. When is it coming?

Kohl: The start of recovery can already be seen. Building activity is starting up, the inflation rate is dropping below 4 percent. We will see a significant upturn during the second half of this year. Unemployment will drop at the same time. To be sure--these things don't happen over night; it takes time.

"Strikes are a Part of Collective Bargaining"

BILD: The metal workers' union is going on a warning strike. What is your opinion on that?

Kohl: Strikes are a part of collective bargaining. They are a part of democratic evolution. And politicians have no business getting mixed up in it. But I do have my doubts as to whether in the present difficult situation strikes are productive and whether intensive negotiations between the partners wouldn't be more useful.

BILD: And if it develops into a real strike?

Kohl: I'm not in favor of enlarging upon the specter of a full-blown strike.

BILD: You have promised the young people 30,000 additional apprenticeships. The Social Democrats call this a training lie....

Kohl: That's ridiculous. My predecessor, Helmut Schmidt, trusted the trade union leaders. Suddenly their word shouldn't be good any more, just because of the change in government? The people responsible for the economy have made me a firm offer. I trust them.

BILD: Lots of young people cannot find an apprenticeship in their hometowns...

Kohl: The young people must of course be prepared to be on the move. I don't see anything objectionable in a boy from Flensburg moving to Hamburg or, as in the past, from the Bavarian forest to the BASF in Ludwigshafen. The FRG Labor Office and the Ministry of Labor provide assistance for young people who are forced to live in apprentices' dormitories.

BILD: What other results came out of your talks with unionists and management?

Kohl: The most important outcome of the talks was the fact that they took place at all, that finally we met around the round table once again. We will continue this after the elections; the subject of shortening the work week will surely come into play then.

"The Voter Must Be Able to Face Facts"

BILD: What is your attitude toward shortening the work week?

Kohl: I am prepared to discuss shortening the life-time working span. However, people must be told honestly that this is on a voluntary basis and that it would involve an actuarial reduction in their pensions.

BILD: You are telling the voters prior to the elections what they can expect. Do you feel that they are really ready to make sacrifices?

Kohl: If it is true that our republic is inhabited by mature citizens, then I must expect the voter to face facts, and the voter must expect me to tell him the truth. I don't want to follow into my predecessors' footsteps. During the election campaign meetings I noted that we are not being censured for this, but rather that many voters appreciate this honesty.

"There Will Be Results in Geneva"

BILD: The SPD is considering postponing the party congress until September to make decisions then on the results of the Geneva disarmament talks. Don't you feel that the September results are already available?

Kohl: I don't think the SPD is very smart to be doing this. Nobody knows whether things will happen in September or October. However, I am firmly convinced that there will be results in Geneva. I am urging the continuation of the Geneva negotiations. The disarmament negotiations are significant for

our very existence--our country is divided; the Soviet missiles are targeted for our territory. We are the ones who are immediately concerned. And that is why we are making use of our own contacts in order to tell the USSR, in complete accord with our friends in NATO: we want disarmament.

"Mandatory Currency Exchange Rate Must Be Lowered"

BILD: When will SED party chief Honecker's visit take place?

Kohl: The invitation has been extended. The date will be negotiated after the election.

BILD: And the mandatory currency exchange rate?

Kohl: We will continue urging a reduction in the exchange rate.

BILD: Herbert Wehner has been thinking out loud about recognizing GDR citizenship.

Kohl: Out of the question. This would further exacerbate the division of the country. International repercussions would be incalculable.

BILD: The spokesman for your government has accused the USSR of interfering with the German election campaign. Who would benefit, or be hurt, by this?

"Interference Results in the Opposite of the Desired Effect"

Kohl: Primarily, [it would damage] the USSR. If it wanted to do something to benefit a German party, its interference would certainly result in just the opposite.

BILD: In the election campaign some reports and discussions have surfaced concerning an alleged Nazi past of SPD chancellor-candidate Vogel. What do you think of that?

Kohl: I condemn that sort of thing unconditionally. I am totally opposed to digging up dirt from the early days of our contemporaries, like some sort of historic dung beetle. Today we cannot blame anybody for the fact that as an adolescent he joined the Hitler Youth. That was no crime. But I must say one thing: this standard must be observed by politicians of all parties. Some Social Democrat politicians have not always adhered to that principle in the past.

BILD: You appear to have come into office with a great deal of momentum and have obviously retained it. How come?

Kohl: Let me tell you without any solemnity: an obligation can bring joy. I am very happy to be able to be of direct assistance to people. Like for instance, if I get a letter one morning and that evening I can say: I have helped someone. Also, I derive strength from noticing that I find acceptance among the citizens.

9273

CSO: 8120/0985

## TURKISH FOREIGN MINISTER ON GUEST WORKER PROBLEMS

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 4 Feb 82 p 2

[Excerpt from interview with Turkish foreign minister]

[Text] [Question] Your visit to Bonn this week covered a wide range, Mr Secretary. Your discussion partners were the ministers of foreign affairs, defense, interior, labor and justice, and the federal president himself invited you for an exchange of opinions. Does the FRG have precedence in the foreign affairs of Turkey?

[Answer] Yes, indeed, the FRG has priority in Turkish foreign policy because of the traditional friendship between the two countries and peoples. Ideas on international problems are on the whole identical, and that brings about extensive cooperation. At the same time, the large number of Turks living in the FRG has given our relations a new dimension.

[Question] There are at least 1.6 million Turks living in the FRG today, and the guest worker problem is serious. Do you see any solutions--perhaps by limiting to 6 years the age when children can join their parents or by Bonn giving assistance to Turks who want to go home?

[Answer] Turkish workers came to the FRG at a time when the German economy had a considerable need for foreign workers who were given incentives to come to the FRG. Now, because of the economic crisis, they cannot simply be sent home and be told that they have done their job and can go.

At the present time, the Bonn government believes that the number of foreigners living in the FRG has reached its upper limit. To abide by this limit is one thing, to send Turkish workers back home against their will by pressuring them or not giving them sufficient support is another thing. If they return it must be because of their own will. A large scale repatriation would be irreconcilable with existing agreements and with the humanitarian ideals of the constitution of the FRG. The FRG has accepted these principles and during the past months constructive and positive discussions have begun on this subject.

To set a limit of 6 years for children who want to join their parents is in my opinion unrealistic. An agreement must be reached to give support to those workers who are willing to return. The social rights of our citizens must be protected and restitution must be provided for contributions made by employers.

[Question] The Association Agreement with the EEC would give Turkish nationals free movement within the area of the European Community beginning with 1986. There are differences in interpretation of this agreement. Would Turkey agree to a flexible formula as far as limiting the number of immigrants is concerned?

[Answer] To renounce our right to free movement is unthinkable. This principle must be upheld. In discussions with Foreign Minister Genscher agreement has been reached, however, that in practice the free movement has to be so regulated that countries in question will not suffer adverse economic consequences.

8889

CSO: 3620/251



## NEW GOVERNMENT WILL BE CONFRONTED WITH ECONOMIC PROBLEMS

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 16 Mar 83 p 2

[Article by W.A.: "Iceland Parliament Dissolved--Early Elections in April--Possible Second Election Phase Next Summer--Difficult Economic Situation"]

[Text] Stockholm, 15 March--Faced with an economic crisis and growing political confusion, Iceland's Prime Minister Thoroddsen has dissolved the Althing (parliament) and has scheduled elections for 23 April. A second trip to the ballot boxes appears to be planned eight weeks thereafter for the purpose of voting on a constitutional amendment concerning a redistricting of election districts; any constitutional amendment must be approved by two consecutive legislative sessions. However, there is general doubt within the North Atlantic island republic with its 220,000 inhabitants that these early elections could lead to stability in the political situation. An additional destabilizing factor consists of severe economic problems which are marked by galloping inflation and a foreign debt of alarming proportions.

The last elections, in December 1979, already gave birth to a coalition whose composition was called "the art of the impossible," even by Icelandic standards. At that time, the now more than 70-year old Thoroddsen became head of the government, as deputy chairman of the Conservative Independence Party, which with its majority continues to constitute the parliamentary opposition together with the Social Democrats. Without being excommunicated from his own party, "dissident" Thoroddsen depended for support on the farm-based Progressive Party and the communist-oriented People's Alliance, until he recently lost his bare majority in one of the chambers of the Althing to "anti-dissidents." In the meantime the Social Democratic opposition had undergone a split also, while in the People's Alliance an argument arose as to whether Minister of Industry Guttormson, its own candidate, had not gone too far with his political campaign against Alusuisse, the only multinational enterprise in Iceland. Thus Icelandic voters are expected to show a great deal of political insight during the coming elections if they are to make sense of this party-political maze.

The situation is becoming even more complicated because of the continuously eroding economic crisis situation. For one thing, Iceland has for many years been waging a losing battle against an inflation which has in the past been ranging between 50 and 70 percent and which in 1983 threatens to rise to 80 percent. For another, foreign debts have grown to almost one-half of the

country's GNP, at a time when the fishing industry, the primary Icelandic income factor, is beset by marketing difficulties and the fishing fleet has long since become too large. Western observers in Reykjavik believe that Icelanders are increasingly looking for a "strongman" and demand a government which is capable of taking decisive action. Nevertheless, hardly anyone believes that such a government will come about as a result of the next elections or the ones after that, which will presumably take place 2 months later.

9273

CSO: 3620/262

## PSOE OPPOSITION TO CATALAN BILLS MARKS TURNAROUND

Barcelona LA VANGUARDIA in Spanish 8 Mar 83 p 4

[Article by Albert Viladot]

[Text] The central government has opposed the parliamentary procedure relating to seven parliamentary bills which were introduced in December 1982 by the Catalan Minority group in the Congress of Deputies. The group's spokesman, Miquel Roca Junyent, noted yesterday before the mass media his surprise and indignation at this event, stressing that parliamentary bills now opposed by the government had once enjoyed the support of the PSOE [Spanish Socialist Workers Party] when that party used to be in the opposition.

The opposed proposals relate to autonomous workers, the return of property confiscated in 1939, the social security of women, the active reserve for professional military personnel, military service reform, Agrarian Social Security, and to the increase in pension benefits under Social Security. Only a resolution rather than a bill to amend the regulation of unpaid drafts and checks without funds was approved for the Catalan Minority group.

Miquel Roca Junyent, who thoroughly analyzed all opposed bills, stressed that he had the impression that "the idea prevails in the government that the opposition does not have to start throwing its weight around and that this attitude is very negative. Neither should the opposition make systematic objections nor the government oppose our initiatives."

The spokesman of the Catalan Minority group noted that "all our proposals are part of the Socialist program," which could make one think that "the Socialists wish to leave their program unfulfilled."

The central government, of whatever ideological persuasion it may be, has the constitutional privilege to oppose a parliamentary bill when the latter can affect the general government budget approved by parliament. Roca Junyent considered this to be a logical privilege, "but now that we have extended the deadline for budget approval this privilege, which is fair, should not be taken advantage of." The Catalan Minority group "is not giving up," Roca said, and will again introduce these proposals so that they may go into force in January 1984.

The government has been of the opinion that in every proposal except in the case of the military service reform, public spending is excessive. The bill relating to autonomous workers asserts that these would have to collect 14 months' pay when they retire. The PSOE approved the measure in the previous parliamentary session but now opposes it.

The bill relating to the property confiscated from cooperatives and cultural centers at the close of the Spanish civil war was an earlier initiative of the Socialists of Catalonia. The bill referring to the working woman asserts that men, too, will have a right to a widower's pension when their spouse dies. "This is the greatest tribute," Roca commented ironically, "which the government was able to pay to women on their international day." That is how it goes with the other bills.

The case of military service reform was characterized as "the most serious" by the spokesman of Convergencia [Convergence]. The bill supported the idea that the youth should fulfill their military obligations in their autonomous community and also the voluntary anticipation of the draft by 17-year-olds. In this case not only the PSOE but the Popular Alliance [AP], too, has opposed the reform, both parties considering that a more thorough study is necessary. The government already has a government bill available. Roca Junyent said he endorsed such an approach, but this did not contradict the fact that "while they reflect more deeply on it," the upcoming replacements can benefit from some substantial improvements.

In brief, Roca Junyent expressed opposition to, surprise at, and criticism of the government, pointing out that "it seems that the government does not wish to fulfill its program."

At the general parliamentary level the leader of Convergencia denounced "the excesses which some Socialist deputies evidence in the Congress. If they continue this way they will discourage anyone from talking critically of the government." He added that this is especially evident when a deputy of the People's Group is involved: "When they criticize the government a terrible to-do follows and there is anger."

"I hope," Roca Junyent said, "that this situation is temporary. The Socialists must still get used to criticism because when the opposition speaks it is not being obstructive in any way but merely exercising its right." In this critical approach, Roca Junyent opposed the "relativization of the law. They claim that what is important are the legal reasons which the 202 deputies advance."

In this defense of parliamentary peace, Roca Junyent came out in favor of the idea that Socialists and all opposition groups should find formulas of agreement relating to the juridical forms of parliamentary bills, an understanding that was not possible either in the case of Rumasa or that of local elections. "We are prepared to undertake the necessary procedures to avoid resorting to the Constitutional Court.

On this topic the spokesman of the Catalan Minority group stressed the need not to abuse the Constitutional Court and "to relieve it from problems that burden it from a political viewpoint. The Socialists should not force the opposition to have to file for appeals," he noted.

Regarding the bill on party reform, Roca Junyent said that he was waiting for the results of the municipal elections: How many abstentions there will be, who will benefit from bipolarization, and what results will be secured by the candidates of the "third force" which is positioned between the PSOE and the AP [Popular Alliance]. In the meantime, Roca Junyent opposes the idea and calls for meetings to discuss the issue throughout Spain.

2662

CSO: 3548/256

## PSOE TO STRESS GREATER LOCAL INVOLVEMENT IN STATE

Barcelona LA VANGUARDIA in Spanish 8 Mar 83 p 7

[Text] Madrid--One of the most significant goals which the PSOE [Spanish Socialist Workers Party] will introduce into its electoral platform at the forthcoming local elections will be the increased participation of the local public sector in the national public sector "through which the economic importance of local government entities in Spain's national economy will rise" and consequently, through the state's budget, their share in the Gross Domestic Product.

According to the draft of this Socialist electoral program, made available through the OTR-PRESS AGENCY, the common denominator of the Socialists will be "continuity to complete the change." After reviewing the record from 1979 to 1983, in which it is considered that the structure of inherited local institutions has been improved, the plan offers for the future the decentralization in municipalities of some services now provided by the central government and for which an adequate funding system is now promised.

An overall goal of the financing of the municipalities is to consider local public budget as an instrument for the provision of local public services at the level sought by the citizens "and to assume, as far as possible, functions of urban redistribution through local public expenditures and stabilization measures, contributing to the direct or indirect reduction of unemployment." This is a novelty in that so far the primary struggle against unemployment has been and is the duty of the central government.

For the Socialists the raising of the social quality of life of citizens is a priority matter. Thus, they will encourage planning for municipal activities for the rationalization of municipal administration. In this sense, the formulation and application of the municipal action plans of the past 4 years "pinpoints methodological improvement through the system of program budgeting, with the assistance of management control machinery making it possible to quantify the efficiency of local public spending and the quality of municipal services," the program's draft notes.

The Socialists call for an increase in the specific role of the local administration in the central government's budget as a progressive step inasmuch as this establishes closer links between the government and the governed.



This program calls for increased investments to be determined through the definition of goals in light of long-term programs, lasting longer than a year, this being an urgent measure in the case of employment-generating investments in coordination and cooperation with the central and autonomous administrations.

Instrumentally, the PSOE notes that the growth in current municipal expenditures must be the subject of follow-ups "for their control and rationalization." The annual increase in personnel remuneration could be, it is said, offset in part by an appropriate policy of anticipated retirements and the control of new commitments.

Furthermore, the purchase of goods and services must be rationally controlled without losing sight of the need to generate savings in municipal finances. Similarly, the revenues policy of the Socialist municipalities will have to be adapted to standards of rationality, administrative simplification, and the reduction of tax collection expenses.

In this sense, they insure the approval of a new budget law of local entities "that will permit greater flexibility for local public finances." They also promise the introduction of adequate collection machinery that would include the majority of taxing concepts "to avoid problems for the urban taxpayer and the inconvenience of his payments."

In keeping with the program of the legislative bodies, the Socialists will try to obviate tax fraud and evasion through better enforcement and thus avoid having the tax burden "increase on those citizens who pay their taxes promptly."

2622

CSO: 3548/256

## REFORM REQUIRED IN GUARDIA CIVIL

Madrid CAMBIO 16 in Spanish 7 Mar 83 pp 33-40

[Text] The Guardia Civil [Civil Guard], the principal corps responsible for state security, made up of more than 64,000 members who control customs, ports, and airports and has over 3,200 barracks scattered across the country, needs urgent reforms to adjust its lifestyle to a country of 38 million inhabitants, which is also the 10th industrial power in the West.

Political parties, trade unions, the government, and even the members of the meritorious Guardia Civil recognize the fact that the organization, without relinquishing its military character, cannot continue to demand blind discipline from its members as mandated by regulations nor intimidate passers-by on the roads so that "their silence and earnestness may be more imposing than their weapons," as the regulations indicate.

Together with those undeferable reforms, the Guardia Civil also needs an immediate recycling of many of its members and an increase in its material resources with the purpose of avoiding that, for lack of a thorn fence which can be bought for 20,000 pesetas, innocent persons should continue to die, as was the case in the deplorable event at Valmojado (Toledo) which cost the life of a young child 15 days ago.

In a little over 2 years, from 23 February 1981 to date, members of the Guardia Civil have been involved in a coup d'etat, in the tragic death of three innocent victims in Almeria when these were mistaken for dangerous terrorists, and in the accidental killing of a youth in the Cadiz district of Trebujena.

What is happening with the Guardia Civil? What is the state of its compromise with democracy and the Constitution? What is the level of its training and integration in the citizens' lives in Spain? These and many other questions have been raised these days by thousands of Spaniards in light of the dramatic event which cost the life of a child, Juan Felix Dominguez, in Toledo. To try to answer these questions CAMBIO 16 has written the following report.

On 23 June 1942, with the Spanish civil war of fairly recent memory, Gen Francisco Franco reorganized the Guardia Civil and endowed it with new regulations. These regulations, drawn up for an exceptional postwar period during which the Guardia Civil was entrusted with mopping up the resistance movement and fighting contraband are still in force today (see boxed summary [not translated]).

The regulations represent the Guardia Civil as an armed corps under the jurisdiction of the Spanish Army. To avoid any kind of anarchy stemming from the dispersal of its lodgings-barracks, the Guardia Civil acquired an iron and unrelenting discipline which was more rigorous than that of any other armed military unit. The critical situation of the postwar period was to prove that the regulations would mandate "blind obedience" from the members of the corps in following orders and that they would be relieved of "any type of responsibility" while faithfully executing their orders.

This incredible situation, however, was extended over time. The early Cabinets of the UCD [Democratic Center Union], which brought democracy to the country and introduced the initial legislative reforms, were not concerned with modernizing the laws and internal bylaws so as to adjust the operations of the state security organs to the new situation.

And the Guardia Civil remained behind, anchored in the past, with military-type regulations enabling its members to clash clearly with the civilian authority without being faulted for lack of loyalty. "If following some uprising the Guardia Civil would have to take military action to mandate respect," the regulations read, "neither the civilian governors nor the mayors will be able to order the Guard to withdraw till after law and order have been restored." The regulations are not only strict with respect to the civilian population. They are even more rigid as regards the members of the corps themselves. "No error, not even the most trivial, is excusable," one of the provisions of the bylaws reads. "Once honor is lost, it can never be retrieved," another section of the handbook notes.

According to its chiefs, ever since 16 January 1845 when the Duke of Ahumada created the Guardia Civil "to clear the Spanish highways of bandits and bring peace and tranquility to isolated towns and villages," the Guardia Civil has always stood by the legally constituted authority.

Furthermore, it has done so unequivocally. Because of the Guardia Civil's loyalty to the Republic during the Spanish civil war, General Franco even came to consider its dissolution. "If he did not go through with it," an expert in the field told CAMBIO 16, "it was because of the imperative need that the winning side had to have an organized and disciplined force available to neutralize the troublesome actions of the resistance movement."

Was this tradition of loyalty and discipline to the legally constituted authority broken on 23 February 1981? All evidence points to the fact that the attack on the Congress of Deputies and the military uprising 24 months ago was an event in which the Guardia Civil became involved accidentally and never as an institution but only through some of its members.

This view is shared even by the head of the present government, Felipe Gonzalez Marquez, and the minister of interior, Jose Barrionuevo.

"The proof that the Guardia Civil is not given to staging coups," Lt Col Guillermo Ostos of the Guardia Civil told CAMBIO 16, "is that the roll of officers and chiefs involved in the conspiracy of 27 October 1982 did not include a single member of the Guardia Civil."

And according to Lieutenant Colonel Ostos, there were none because the Guardsmen were involved with other things. Early in January 1983, a month after the assumption of office by the new Socialist government, opinion polls taken by the Captains General, true barometers gauging the confidence of the Spanish Armed Forces in the country's institutions, strongly favored the Guardia Civil's cooperation with the new government.

"This attitude of total and loyal cooperation," a member of the government disclosed to CAMBIO 16, "had not occurred previously with any UCD government and evidences that the Guardia Civil has not broken its tradition of full-fledged support for the institutions and legally established authority."

Consequently, the Socialists, who 2 years ago were clearly calling for the demilitarization of the Guardia Civil, now that they are in office have become the unambiguous defenders of the Guardia Civil's military spirit and discipline.

Still, such close military connections create genuine cases of injustice. During his initial 3 years in the corps, for example, a member of the Guardia Civil can be expelled from it by a single stroke of the pen of the organ's commander in chief.

And even though this rarely happens nowadays, the state of insecurity in employment even after the first 3 years in the Guardia Civil continues to be true. Violations of regulations, when they do not lead to court action, are adjudicated in the institution itself.

However, the chiefs and officers of the Guardia Civil consider that this is a necessary measure to maintain the military discipline and spirit of the corps. But also and in the same manner, they favor reform in the regulations.

Jose Barrionuevo, the minister of interior, shares this idea, too. "We Socialists," he told CAMBIO 16, "will neither do away with the three-cornered hat of the Guardia Civil nor clash with its traditions of military discipline, abnegation, and sacrifice, but we shall strive by every means for this corps to be a model institution in Spanish society." For the government of the PSOE [Spanish Socialist Workers Party], the political model for the Guardia Civil to imitate should be the Italian Carabinieri, a military institution with a military outlook whose members are also quartered in lodgings-barracks but enjoy the greatest esteem and admiration among Italians.

Within this scheme of things the first measure for the new Spanish leaders to adopt will be instructional reform. "Beginning this year," General Castro, in charge of the educational command, told CAMBIO 16, "the basic training of Guardia Civil members will extend over 11 months instead of the present 3 months. One of the basic courses in the new instructional plan, according to General Castro, will be the Constitution, knowledge of which is required for joining the Guardia Civil [permanently]. "Our plan," the general added, "is that the members of the Guardia Civil should not only be familiar with the laws which they must have citizens obey but also that they should revere the laws, especially the basic law, the Constitution."

2662

CSO: 3548/262

## OGUNC CRITICAL OF RESTRAINTS ON PARTY FORMATION

Istanbul CUMHURIYET in Turkish 20 Feb 83 p 7

[Text] Ankara--Feridun Sakir Ogunc, the unionist member of the Constitutional Commission, said: "As long as Decrees No 65, 70 and 71 are not rescinded neither parties can be formed in Turkey nor can they organize "

Ogunc, who also served on the Representatives' Assembly formed after the 1960 revolution, said: "The absence of government assistance to political parties will only serve the ends of procapital parties and will impede the strengthening of parties of ideas." Ogunc added that party leaders will no longer be able to act as comfortably as they did in the past.

Replying to CUMHURIYET's questions, Ogunc stated that he categorically opposes the bi-level barrage system and said: "Because of the issue of the [political] calendar I do not see any possibilities of comfortable organization at the moment."

Ogunc said that the requirement that parties should organize in at least 34 provinces in order to take part in elections will make the participation of parties in elections difficult.

Stating that the situation of the civil servant members of the Consultative Assembly has not yet been clarified, Ogunc said that certain restrictions have been imposed on the campaign speeches of election candidates.

Ogunc explained as follows the points he does not agree with in the [Political Parties] Draft Law as a member of the Constitutional Commission:

"Improper terms have been used in the draft of the bill. I oppose those terms. Consequently, I have reserved judgment on the bill. I mean that one can find in the bill old terms from the Ottoman period that no one in this generation can understand next to very new and pure Turkish words. I will oppose this usage.

"A new provision was introduced into Article 40 which requires that parties must organize in at least 34 provinces in order to participate in elections. As you know, previously this requirement applied to 15 provinces. I see this requirement as a factor that will make the organization of parties more difficult. I will oppose Article 40 on these grounds.

"I oppose Article 42 because it does not include the principle of basing party candidate elections on various professional groups.

"Article 47 imposes certain restrictions on the campaign speeches of the election candidates. Some of them are very proper. For example, we agree with restrictions on divisionism, exploiting the minorities and using foreign languages. But I think that it is undemocratic to prohibit candidates from making any promises in a professional context. I reserved judgment on the article because it contains this harsh provision. For example, let us assume that I am a sailor. Am I going to be unable to say: 'I will serve the interests of the sailors if I am elected to the assembly'? A university faculty member, for example, will not be able to say: 'I will reform the universities if I am elected.'

"I oppose Article 58 because it takes away the right of a party member to appeal to the general assembly of the party in cases of intraparty disciplinary matters. [According to this article,] any party member that is expelled from the party will have to appeal directly to a court. The court will have to reach a quick verdict and its ruling will be final. I am saying that the acquittal of a party member by a court is a happy event for that member, but, in the least case, that acquittal must be presented to the general assembly of the party at its first available meeting--on condition that no debates will ensue--so that the honor of the member is reinstated.

"I oppose Article 63 because it rules against the party on the issue of membership dues. The article says that a party member does not lose his rights of voting, getting elected and attending party congresses if he does not pay his membership dues; he can stand for election even if he does not pay his dues. In such a situation the practice of collecting membership dues becomes meaningless. I oppose this article because, in my opinion, it encourages party members not to pay their membership dues."

9588

CSO: 3554 168



## BI-LEVEL BARRAGE SYSTEM UNDER CONSIDERATION

Istanbul CUMHURIYET in Turkish 26 Feb 83 pp 1,11

[Report by Rafet Genc]

[Text] Ankara--[Consultative Assembly] Constitutional Commission Spokesman Sener Akyol disclosed that the commission will propose to the Chairmanship Council to start discussing the "Election Law" some time this week and that consideration is being given to a "bi-level barrage" system.

Responding to a question on this issue, Akyol said:

"As soon as the drafting of the Political Parties Bill is completed we will start work on the Election Bill. In my personal opinion, a bi-level barrage system must be implemented in Turkey.

"The first of these barrages must be at the province level, and the second one must be at the national level."

Akyol said that it would be proper to implement an 8-percent barrage level for elections held at the province level. Akyol maintained that requiring the parties to exceed a 10-percent threshold at national elections in order to have seats in the National Assembly would insure "stability" in Turkey.

The implementation of the 8-percent barrage will be as follows:

For example, let us assume that three parties stand for election in a given province. Let us assume that that province sends five deputies to the assembly and that party A won 100,000 votes, party B won 70,000 votes and party C won 50,000 votes. Thus the total number of votes cast is 220,000. Therefore the barrage level will be 8 percent of 220,000 and any party that cannot get at least that many votes will be unable to have a deputy in the assembly. In other words, parties which win 17,600 (8 percent of 220,000) or more votes will be eligible to attempt to exceed the second barrage.

Furthermore, this 8-percent barrage level must be exceeded in at least half the provinces where a given party is organized. Parties which exceed this 8-percent level in at least half the provinces where they are organized will then have to exceed the 10-percent threshold at the national level. Parties which exceed both thresholds will be eligible to send deputies to the National Assembly

The 10-percent barrage will be implemented as follows:

Parties which win 10 percent or more of the total valid votes cast for all the parties in Turkey will be able to send deputies to the assembly in proportion to the number of votes they have won. For example, let us assume that total votes cast for all parties in Turkey is 12 million. Ten percent of that is 1.2 million. Any party that wins 1.2 million votes or more on a nationwide basis will be eligible to send deputies to the assembly.

Akyol was asked: "In that case, there may not be more than two parties represented at the assembly. Is that not right?" Akyol replied:

"No. In my opinion, four or five parties can be represented at the assembly. In my opinion this system can make it possible for more than two parties to enter the assembly. Naturally, the percentages I mentioned can be endorsed by the commission at a reduced level."

Akyol said that the Election Law will be discussed within the framework of the Constitution and the Political Parties Law. He added: "We can use the old electoral law as a basis. We can make the necessary changes in that law. After all, the old law consisted of 42 articles." Akyol maintained that the bi-level barrage system will prevent "regional influences" and will force parties to organize at the national level.

The Constitutional Commission Spokesman said that this is also the goal sought by the Political Parties Law requirement that parties organize in at least 34 provinces and half that number of districts.

Akyol added that the d'Hont barrage system will be used in both elections.

9588

CSO: 3554 168

## COMBAT EFFECTIVENESS OF VARIOUS ARTILLERY POSITIONS EXAMINED

Bonn TRUPPENPRAXIS in German Feb 83 pp 105-111

[Article by Lt Col Gerhard Haupt and Capt Karl Steiger: "Studies in the Combat Effectiveness of Various Kinds of Artillery Firing Positions"]

[Text] The artillery has been concerned with the problem of the dispersed firing position for some time. (On this problem, see also Issue No 3, 1982, "Die Aufgelockerter Feuerstellung" [The Dispersed Firing Position].)

The authors--Lt Col Haupt is the commander of an armored artillery battalion and Capt Steiger, a graduate information specialist, commands an armored artillery battery--attempt to demonstrate, by means of a computer-aided simulation of the firing of a battery in combat, what kind of firing position is preferable. Various evaluation criteria are used as a basis.

Compact battery and platoon firing formations and formations with the weapons dispersed in pairs and individually were included in their investigations, which also demonstrated how practical use can be made of data processing in the military field.

#### Introduction

The large number of Soviet artillery weapons, the accuracy of modern reconnaissance media and the operational principles used by the Warsaw Pact are especially dangerous to artillery firing formations with conventional intervals between the weapons.

Because the period of operational readiness during the decisive phase of combat is longer, the artillery must increase the passive defense of its firing positions by taking a number of steps which make reconnaissance by the enemy difficult. The "dispersed firing position," the use of which as a general rule is ordered in Army Training Regulations 260/100 No 705 in a defensive engagement, offers a number of critical advantages.

As a contribution to reflections of this kind, the present article attempts, by means of a computer-aided simulation of the firing of a battery in combat, to offer suggestions for practical training. The operation of four different firing formations and five different evaluation criteria when a battery is engaged by enemy artillery is studied. Compact battery and platoon firing formations and formations with the weapons dispersed in pairs and individually are examined.

The results are examined in the light of the following criteria: the total amount of time spent in action, the duration of effective action, the number of rounds fired, losses suffered and the number of position changes carried out.

Simulated combat is carried on for 2 days, each with a length of 24 hours. The type of enemy artillery engagement of our forces is assumed to be in accordance with our regulations covering map fire.<sup>1</sup>

In addition to the information obtained, the present work also shows how the knowledge gained in a computer-aided study related to one's professional field can be applied directly in military practice.

The authors of the present work thank Prof Dr -Engineer Reiner K. Huber and Graduate Mathematician Bernt Wobith of the Data-processing Section of the University of the Federal German Armed Forces in Munich for their friendly and generous support in carrying out this work.

#### Description of the Simulation Model

#### Description of the Method of Simulation

In the technical and scientific field, the term simulation is understood to mean as realistic an imitation as possible of something that actually happens and is captured in a model.<sup>2</sup> Here a model is the representation of a real or imagined situation.

In the present case, what we are dealing with is a firefight between an armored artillery battalion of a defending brigade and the regimental artillery group of an attacking Soviet motorized infantry regiment.

The simulation produces the possible sequences of events in such a firefight, with the incidence of accidental occurrences determined each time in a series of equal time intervals by extracting an accident figure (time-step stimulation in accordance with the Monte Carlo method).

However, each simulation run results in bringing into being one or more accidental quantities which are taken into consideration and marks which, in a sufficiently large number of simulation runs, estimated values in the form of the average values of the individual simulation runs are determined.

In accordance with the central boundary-value principle of statistics,<sup>3</sup> this average value is distributed normally for a large number of experiments, and

the standard deviation and the bilateral interval of trustworthiness can be calculated. In general, at least 50 experiments suffice in practice, to make it possible to use the normal distribution.

The size of the bilateral P% intervals of trustworthiness<sup>4</sup> is the governing factor in evaluating the quality of the results. The smaller those intervals for the average-value results are, the greater the accuracy of the simulation results in relation to the assumptions on which they are based.

The simulation program uses standard, normally distributed accident figures which are calculated by means of a small function procedure from 12 (0.1)-equally-distributed accident figures with the help of the central boundary-value principle. The (0.1)-equally-distributed accident figures were determined by a standard procedure of the Munich University of the Federal German Armed Forces' Burroughs calculating system.

#### Description of the Scenario

In the study, an armored artillery battalion of a brigade in a defensive position is examined. The battalion is in a firing-formation area (Figure 1) with three batteries and is supporting the brigade directly with fire. The 3 batteries, each of which has 6 M 109 G 155-mm self-propelled howitzers, have 3 different firing formations in the fire fight.

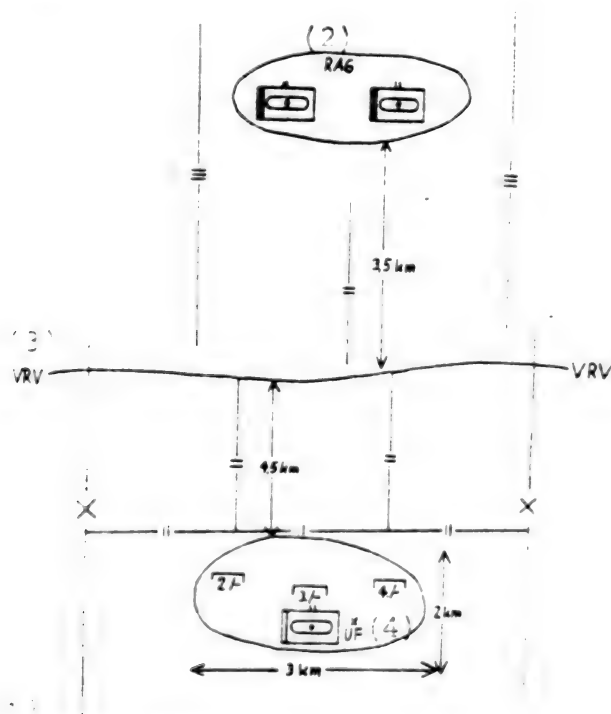


Abb. 1: Szenario der Untersuchung

#### Key:

1. Figure 1: Scenario of the study.
2. Regimental artillery group.
3. Expansion unknown.
4. Expansion unknown.

On the attacker's side, a regimental artillery group (RAG) with 2 armored artillery battalions, each equipped with 18 heavy 152-mm self-propelled howitzers, is assumed to be supporting the attacking regiment with general fire.

Now it is assumed, for the sake of simplification, that the enemy RAG engages the three battery firing positions one after the other, with the first battery to be engaged not observable again until after the other two firing positions have been observed and engaged. As a result, the simulation of the counter-battery fire process can be limited to one battery and the results can be expanded by the computer to cover the three batteries each time.

In the simulation, the battery firing position is located after a certain period by the attacker's artillery scouting media and engaged by the RAG. The artillery battery under attack carries out a displacement movement and continues the firefight after establishing operational readiness in the new previously prepared firing position. Losses from the enemy's artillery fire are taken into consideration in the new organization of the firing position when establishing operational readiness. Losses incurred on the march and inflicted by the enemy air force are left out of consideration. The firing position is engaged until all the guns have been destroyed or the time allowed for the simulation, which is to be established in advance, has expired. After a day of combat, certain tactical values can be altered for the defenders--for example, the firing cadence of the self-propelled howitzers can be reduced.

#### The Types of Firing Formations That Were Studied

Four different types of firing formations were studied: two were compact and two were dispersed formations.<sup>5</sup>

##### Compact Firing Formation of a Battery

The battery (Figure 2), with all its guns, is located in a firing position that is 200 meters wide and 60 meters deep. The third gun, which is also the base piece (GG), is assumed to be the midpoint of the firing position. The space between the guns is 40 meters and the echelonment of the guns is accommodated to the terrain and, on the average, is equally distributed over the entire depth of the firing position.

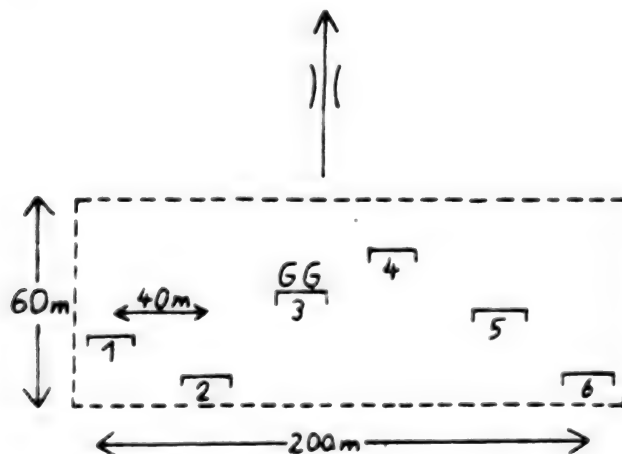


Figure 2: Compact firing formation of a battery



### Compact Firing Formation of a Platoon

The battery (Figure 3) has 3 guns in each of 2 platoon firing positions which are 80 meters wide and 40 meters deep and which are 420 meters apart. The second gun is assumed to be the midpoint of each firing position, the space between guns is 40 meters and the echelonment of the guns depends upon the terrain and is equally distributed, on the average, over the entire depth. If the battery has lost three or more guns, the remaining guns are concentrated in one firing position.

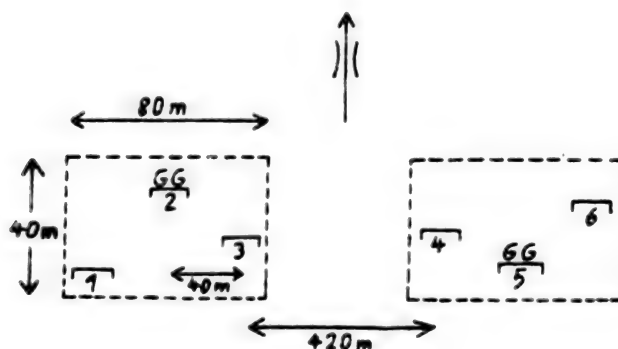


Figure 3: Compact firing formation of a platoon

### Dispersed Firing Formation for Pairs of Guns

The battery's firing position (Figure 4) consists of 3 so-called partial firing positions, each of which has 2 guns arranged in an area 600 meters wide and 300 meters deep. The guns are at least 300 meters apart.

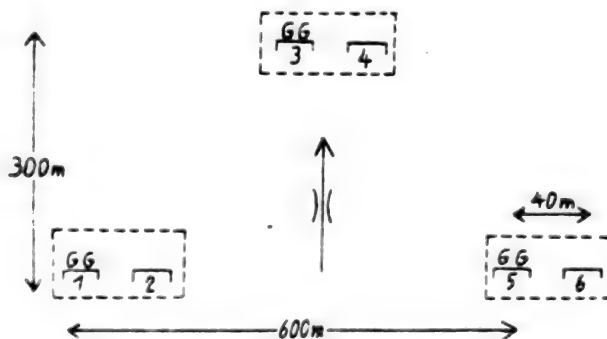


Figure 4: Dispersed firing formation for pairs of guns.

The distribution of the pairs of guns depends upon the terrain, but an assumed arrangement is presented schematically here. The gun on the left in each pair is always assumed to be the base piece and the midpoint for observation as well. The guns are 40 meters apart. If the battery suffers losses, the number of partial firing positions is reduced, after a displacement movement, in such a way that a partial firing position consists of only one gun at the most.

### Dispersed Firing Formation for Individual Guns

The 6 guns of the battery (Figure 5) are distributed individually over a 600-square-meter surface, with a distance between guns of at least 300 meters. The positioning of the individual guns depends upon the terrain, but in this study, it is assumed to be fixed for reasons of simplification. Each gun constitutes a separate, surveyed, partial firing position. The number of partial firing positions is reduced as losses are suffered.

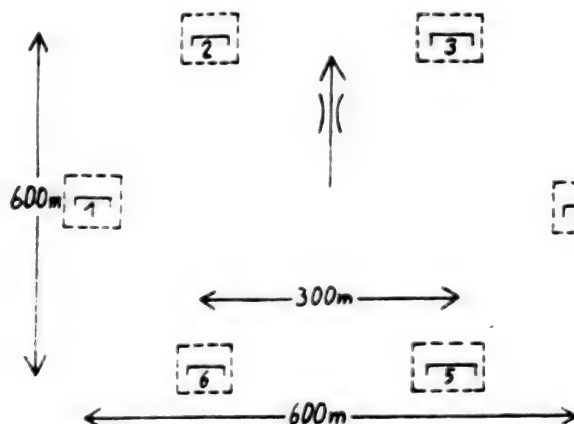


Figure 5: Dispersed firing formation for individual guns.

### The Process of Engagement

The process of engagement by enemy artillery is carried out in accordance with our own regulations.<sup>6</sup>

A battery firing position is conceived of as a 200-square-meter surface target which is engaged at 3 ranges (the middle of the target, 100 meters over and 100 meters short in the direction of fire).

The fire of the two enemy self-propelled artillery battalions with two batteries apiece is directed at the same target coordinates with parallel tubes, and the same number of rounds is fired at each range. The cadence of enemy fire is calculated from the amount of ammunition required to neutralize an artillery firing position in 10 minutes (90 rounds per battery). For the enemy artillery position, a linear arrangement of the guns with 35 meters between them is assumed. The base piece is the third gun.

The reconnaissance coordinates are determined by calculating coordinates differing from the midpoint coordinates of the firing position to be engaged at any one time by means of two normally distributed accident figures. The calculation assumes that the enemy artillery reconnaissance can locate a firing position with an accuracy of  $\pm 50$  meters with a degree of probability of 85 percent. This value holds true for all four firing formations and is certainly an optimistic assumption.

Starting from these midpoint coordinates the mean points of impact at three ranges are calculated for each gun (Figure 6).

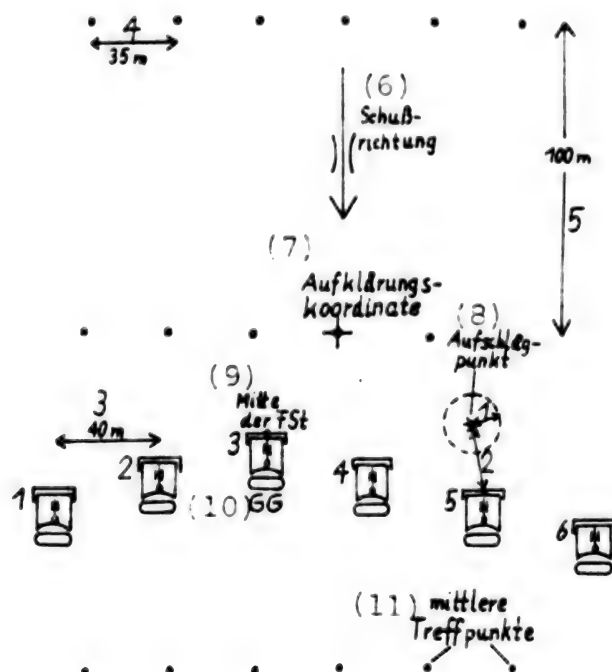


Figure 6: Schematic diagram of the firing process

Key:

1. Lethal radius of the explosive projectile.
2. Distance between the point of impact and the midpoint of the guns.
3. Space between the guns.
4. Space between the average points of impact.
5. Standard distance of control for a 200 by 200 meter target.
6. Direction of fire.
7. Reconnaissance coordinates.
8. Point of impact.
9. Middle of the firing position.
10. Base piece.
11. Average points of impact.

Six rounds of artillery fire at each mean point of impact are now recreated by simulating the deviation lengthwise and laterally for each round by means of a normally distributed accident figure for each one. The coordinates of the point of impact are calculated from that. If the space between the impact coordinates and the midpoint of the guns is greater than the lethal radius for 151-mm caliber explosive projectiles, the gun is unharmed. But if it is less, the gun is considered out of action. The lethal radius on which the simulation is based determines the total loss or nonloss of the self-propelled howitzer. Losses of personnel or partial damage are not taken into consideration.

This process of locating and engaging is the same for all four firing formations and is repeated again and again. However, a partial firing position can only be taken under fire if it has been in the firefight for at least 30 minutes.

## The Displacement Process

If a firing position is located and taken under fire by enemy artillery, the guns will carry out a displacement movement as quickly as possible. It is assumed here that the self-propelled howitzers will have left a firing position that is under fire in two minutes. After a certain period of movement, they will reach a new, prepared firing position inside the firing area of the artillery battalion. During the march, which takes 10 minutes, the self-propelled howitzers do not suffer any losses. After a certain period spent in establishing operational readiness (seven minutes), these self-propelled howitzers can open fire again.

When the new partial firing position is occupied, a check is made of whether the battery's firing formation has to be rearranged because of previous losses. This rearrangement of the firing formation is carried out in a different way for each type of firing formation. (On this point, see "The Types of Firing Formation That Were Studied").

## Brief Description of the Program

The simulation model described earlier was structured in such a way that the algorithm for the following simulation program could be derived from it.

The program (Figure 7) consists essentially of two calculation loops and four subprograms. At the beginning of the program, the variables are reconciled and the basic group of data is read into the program from a magnetic-disk data bank in accordance with the type of firing formation under study. In the external computation loop, the program variables are filled in advance with the initial values, the gun coordinates are calculated according to the type of firing formation under study, the echelonment is obtained with (0.1)-equipartitioned accident figures for the compact firing formations, the experiment results for the average-value computation are stored away and the numerator for the number of experiments carried out is increased by one.

In the internal computation loop, the five different evaluation criteria are calculated: duration of experiment, effective duration of action, number of rounds fired, friendly losses and the number of displacement movements carried out.

For every passage through the loop, the duration of the experiment is increased by a time-step constant. In the program, it was equated with 1 minute. The firing and displacement processes, as well as the changing of the tactical firing cadence after 1 day, are put into effect as called for by the subprograms.

At the end of the program, the average values, the standard deviation and the intervals of trustworthiness for the evaluation criteria are calculated in accordance with the formulas for normal distribution.

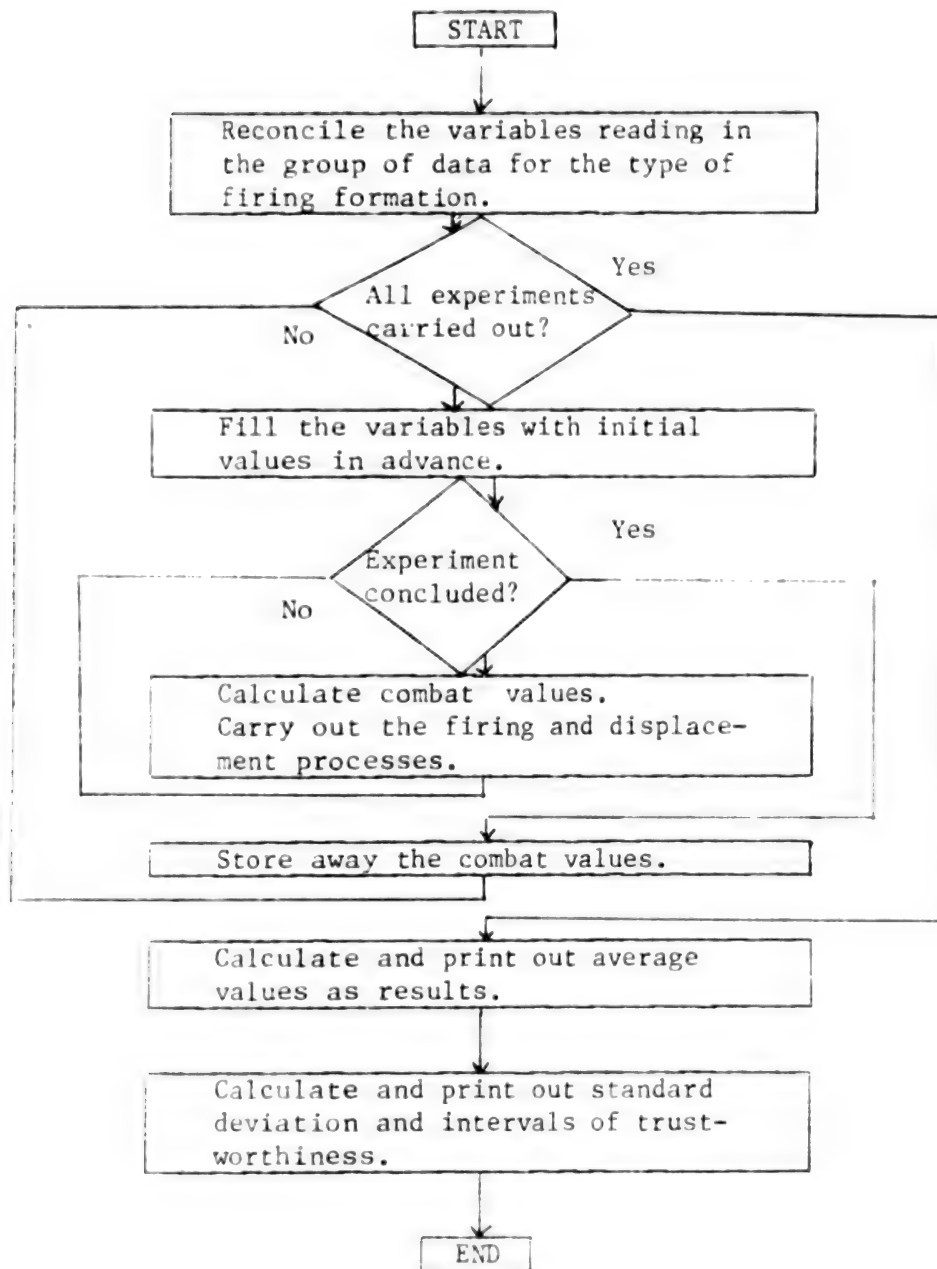


Figure 7. Flow chart for the simulation program.

#### The Results of Computation and Their Interpretation

In this section, the input data are first explained briefly and then the computer experiments are discussed. In that connection the numerical results of computation are always seen in connection with the basic assumptions and simplifications. The results are not to be interpreted absolutely but in relation to each other, in order to be able to make statements about trends.

## The Input Data

The numerical data for the calculations come from open sources or are plausible assumptions by the authors. Numerical data for the enemy artillery were derived from our own data on counterbattery firing.

A group of basic data was compiled for every type of firing formation which consisted of five different lines. Every group of basic data contains information regarding the type of firing formation to be examined, the number and duration of the experiments to be carried out, the cadences of fire, the dispersion and accuracy of reconnaissance, the lethal radius, the tactical length of time and the time-step constants. In all, the group of basic data is made up of approximately 35 pieces of numerical data.

## Computer Experiments Carried Out

Now 2 computation runs were carried out with the simulation program for each of the 4 types of firing formation--once with 50 and then with 100 repetitions of the experiment. The duration of the simulation for each experiment always amounts to two 24-hour days. The intervals of trustworthiness were calculated with P at 85 percent. That is the degree of probability that the actual average value of the simulation results lies within the interval of trustworthiness of the calculated average value. The initial strength of the battery is six self-propelled howitzers for each calculation.

The computing times for the calculations lay between 1.1 and 1.4 minutes of processor time.

## Individual Evaluation

The following abbreviations are used for the various types of firing formations [Feuerstellung--FSt]:

- FSt 1 = Compact battery firing formation.
- FSt 2 = Compact platoon firing formation.
- FSt 3 = Firing formation with the weapons dispersed in pairs.
- FSt 4 = Firing formation with the weapons dispersed individually.

## Duration of the Experiment

The duration of the experiment or total operational time (Figure 8) was set at 2 days, and it turned out that, on the average, no type of firing formation survived for 2 days in the counterbattery engagement that was assumed to follow--that is, almost all simulated runs were ended prematurely because of the destruction of all the self-propelled howitzers in the firing formation.

Specifically, the following picture appeared:

The differences in the time of operation that were achieved are relatively small among the four types of firing formation. The time in operation for the FSt 2



was 11 percent longer than for the FSt 1, there was no difference between the FSt 2 and the FSt 3 and the time in operation of the FSt 4 was 11 percent longer than for the FSt 3. Thus the duration of the experiment was not an unequivocally decisive criterion, but the dispersed firing formations produced somewhat better results.

#### Effective Duration of Action

The effective duration of action (Figure 9)--that is, the time in which rounds can actually be fired--is less than the time in operation in all simulation runs. The differences between the time in operation and the effective duration of action, which often are large, result from the fact that the guns are usually executing displacement movements because of enemy counterbattery fire if the firing position of the battery only consists of a partial firing position.

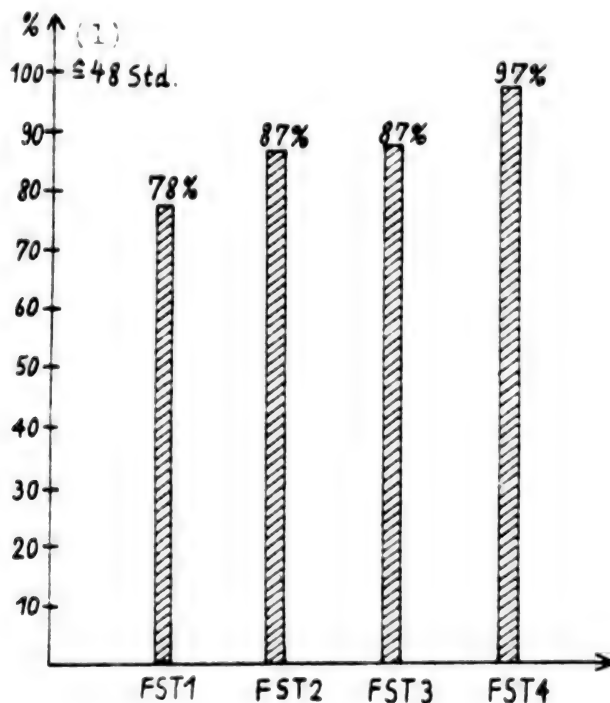


Figure 8. Duration of experiment = total time in operation.

Key:

1. 48 hours.

The individual results are as follows:

From FSt 1 to FSt 2, the duration of action almost doubled (a 93-percent increase), and from FSt 2 to FSt 3 the effective duration of action more than doubled (by 117 percent). From FSt 3 to FSt 4, the duration of action was only increased by one-third. In all, a clear-cut increase in the effective duration of action is obtained with the dispersed types of firing formation, but the difference between firing formations with the guns dispersed in pairs and formations with the guns dispersed individually is not as great as that between the formations with the weapons dispersed in pairs and the other two types of firing formation.

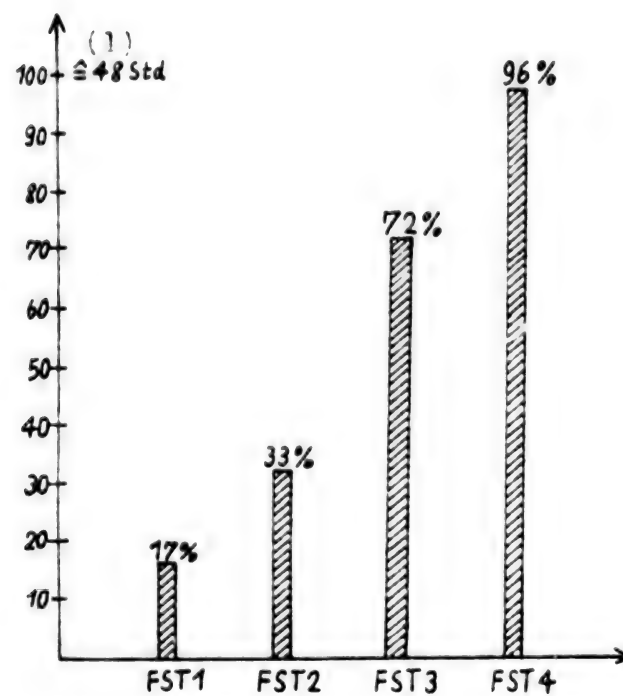


Figure 9. Effective duration of action

Key:

1. 48 hours.

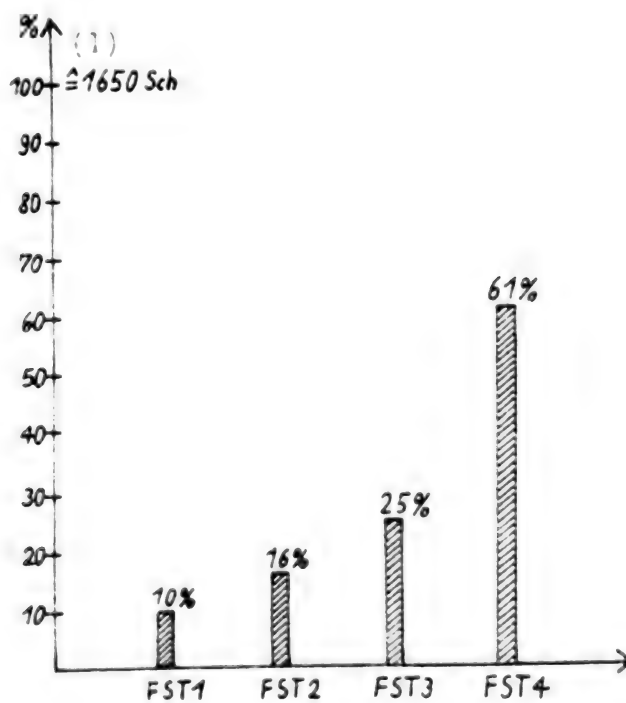


Figure 10. Number of rounds fired.

Key:

1. 1,650 rounds

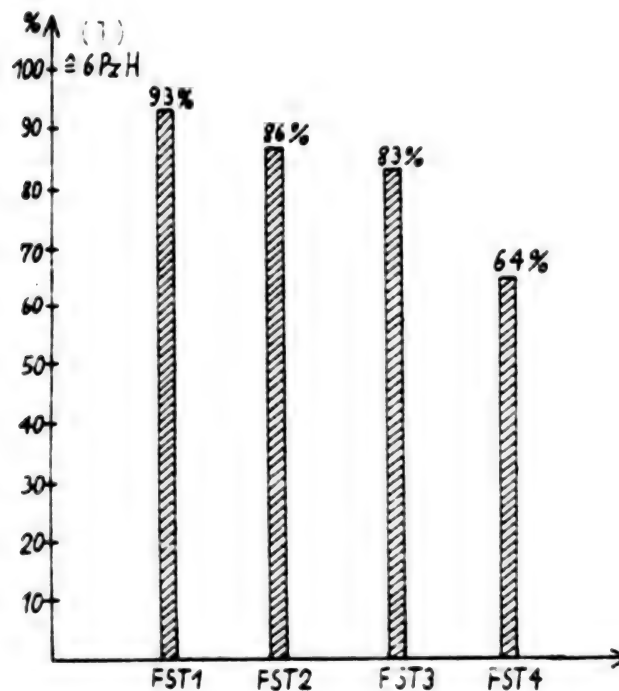


Figure 11. Losses of self-propelled howitzers.

Key:

1. Six self-propelled howitzers.

#### Number of Rounds Fired

This criterion (Figure 10) depends directly upon the effective duration of action and the losses suffered. A battery in defense should fire a maximum of 1,650 rounds in 2 days. A constant cadence of fire for the self-propelled howitzer is derived from that rate of fire.

Specifically, the following evaluation emerges:

The FSt 2 fires a little less than  $2/3$  (65 percent) more rounds than the FSt 1. When one switches from the FSt 2 to the FSt 3 or when one switches from the FSt 3 to the FSt 4, a relatively large increase of 1 and  $1/2$  times (147 or 148 percent) takes place.

Thus, clear-cut advantages for the dispersed types of firing formations over the compact ones emerge here, since in the case of the dispersed firing formations but not all, only some, units are always forced to execute displacement movements by enemy counterbattery fire.

#### Losses Suffered

Losses in 2 days can amount to 6 self-propelled howitzers as a maximum. The losses which occurred in the simulation runs in 2 days of combat (Figure 11) amount to 5 self-propelled howitzers, on the average, in the case of the FSt 1,

2 and 4, and 4 self-propelled howitzers in the case of the FSt 4. In all, the differences that emerged here were not as clear-cut, but the dispersed types of firing formation also had slight advantages here.

#### Number of Displacements Carried Out

The number of displacement movements depends especially upon the duration of the experiment and the number of partial firing positions. Specifically, the FSt 1s carried out 15 displacement movements in 2 days of combat, on the average, the FSt 2s and FSt 3s each carried out 17 movements and the FSt 4s 19 movements. In the case of the dispersed types of firing formations, clear-cut increase in the number of displacement movements certainly will cause organizational and leadership problems. However, in contrast with compact battery firing formations, it is only a part of the battery that is affected at any time by the change of position.

#### Evaluation of the Accuracy of the Results

The accuracy of the simulation results can be evaluated, with certain limitations, in terms of the size of the intervals of trustworthiness. The intervals of trustworthiness were calculated on the basis of an 85-percent degree of probability that the actual average values of the simulation results lie in the intervals of trustworthiness of the average values which were calculated.

In the preponderant number of cases, the intervals of trustworthiness (82.5 percent of 40 intervals) are smaller in size than 10 percent in relation to the average values. Only in 1 case was an interval of trustworthiness greater than 20 percent of the average value.

Thus, the simulation results, taken as a whole, can be evaluated as useful if the assumptions are taken into consideration.

#### Summary

In terms of all the evaluation criteria, the dispersed types of firing formation are clearly superior to the compact types in some cases. Aside from the number of displacement movements, the compact battery firing formation appears to be the worst formation. The positive difference between the firing formations with the weapons in pairs and alone is not as great as that between the compact firing formations and the dispersed formation with the weapons in pairs.

But the compact platoon firing formation probably provides a clear-cut improvement.

If, in addition to the assumptions that were made, it is also assumed that the enemy's artillery reconnaissance is made more difficult by dispersed types of firing formations, which probably will be true in actual combat, the results would shift even further in favor of the dispersed types of firing formation. It was possible to demonstrate the theoretical advantage of the dispersed firing formation in this study. However, when this was done, the effectiveness

of the leadership personnel, of whom considerably more might have been demanded in the case of the dispersed types of firing formations, was left out of consideration. Here it will be necessary to increase leadership abilities by proper selection of personnel and training, in order to ensure the effectiveness of the artillery in decisive phases of combat in that way.

#### FOOTNOTES

1. Army Training Regulations 266/205, classified "for official use only," Firing Regulations of the Artillery, Map Fire, October 1968, Bonn, Ministry of Defense, Chap 6 and Annex 6.
2. H. Hofmann, lecture text, "Unternehmensforschung" [Industrial Research] HT [expansion unknown] 1978, HSBW M [expansion unknown], FBer INF [expansion unknown], Chap 7.
3. E. Kreyszik, "Statistische Methoden und ihre Anwendungen" [Statistical Methods and Their Applications], Goettingen, 1975, 5th Edition, p 201 f.
4. A P% interval of trustworthiness for the average value of a random sample is the numerical range to the left and right of the average values that were calculated in which the unknown actual average value lies with P% probability. On this, see E. Kreyszik, loc. cit., pp 182 ff.
5. "Die aufgelockerte Feuerstellung" [The Dispersed Firing Formation], I. In Arts [expansion unknown], Idar-Oberstein, January 1980.
6. Army Training Regulations 266/205, Map Fire, loc. cit., and Army Training Regulations 268/200, Firing Table for the M 109 G 155-mm Self-propelled Howitzer, November 1965, Bonn, Ministry of Defense, Chap B.

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## FISHING TALKS WITH EEC DOOMED TO FAILURE

Madrid ABC in Spanish 3 Mar 83 p 49

[Article by Andres Garrigo]

[Excerpt] Fishing talks between Spain and the EEC to be held here today are doomed to failure from the start. The EEC is demanding a reduction of some 15 percent in our catch. Spain will not even agree to a 10-percent reduction but the situation is critical because the government in Madrid does not have the political or economic strength to ensure respect for its interests.

"The Spanish Government has its back against the wall. It must accept a new reduction in its fishing activity, under penalty of a total ban on fishing in EEC waters. The posture of the Community is very firm on this point," we were told by one of the EEC negotiators.

The position now being taken by the EEC is the harshest since it expanded its fishing zone to 200 miles in 1977. It is based on two principles: a cutback or annual reduction on the order of 15 percent and reciprocity, which justifies it. In fact, EEC members argue, "we offer our fishing resources to Spain and we receive nothing in exchange." Conclusion: We are doing it a favor by not kicking it out immediately, only gradually.

Statistics for the past 4 years show the rate of the reduction. In 1979, the EEC had 43,000 tons of hake authorized. Of these, it granted 15,500 to Spain. In 1980, the EEC gave us 11,870 out of 40,000. In 1981, we received only 10,500 out of 38,630 and in 1982, only 8,500 out of the 40,000 tons were ours, plus 1,000 tons for trawlers. This means that Spain's total percentage went from 36 percent in 1979 to 23.7 in 1982. Fishing licenses during those same years went from 200 to 130.

This time, EEC requirements are even stricter, with a measure difficult to swallow for the Spanish fleet, which had invested millions in converting seiners to trawlers because three of the latter can fish with a single license. The EEC now says it has discovered that the catch of seiners and trawlers is the same, meaning that the latter require individual licenses, meaning a two-thirds reduction in number.

There can be no doubt that it is France that is imposing this policy. A member of the European Parliament, Sylvie le Roux, a French communist, has just asked the EEC for urgent measures to remedy the harm which Spanish trawlers are causing French fishermen.

The EEC says that once the extension of last year expires on 31 March, "no more licenses will be extended and if no agreement is reached, the Spanish fleet will have to leave our waters."

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